The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

The Question of a Russo-Japanese War---Manchukuo's Advisers

ARTICLES IN THIS ISSUE

The Review, Mr. Burton and the Yunnan Administration

Doris Duke and Her China Cigarette Millions

Will There Be War Between Japan and Russia This Spring?

Manchukuo Organic Law Puts Japanese Advisers in Supreme Control---Almost Colonial Status

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Another Program for Relieving China's Silk Industry . . . . . By Paul K. Whang

SATURDAY, MARCH 10, 1934 VOLUME 68, NUMBER 2

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密勒氏評論報

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Formerly Millard's Review

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Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

THE REVIEW, MR. BURTON AND THE YUNNAN ADMINISTRATION

THE Chinese newspapers in Shanghai on Tuesday of this week published a dispatch from Nanking referring to a series of articles by Wilbur Burton dealing with conditions in Yunnan province which appeared in *The Review* between Sept. 2 and Oct. 28 of last year. The articles were based on a personal investigation which Mr. Burton made in both Yunnan and French Indo-China and were concerned with political and economic conditions in China's southwestern provinces as well as French activities in that area and were published under the general heading "Is Yunnan Going the Same Road as Manchuria?" Mr. Burton the writer of the articles is correspondent for *The Baltimore Sun* in China at the present time. Previously he was connected with the bureau of the *Associated Press* in Atlanta, Ga. The article which appeared in the local Chinese newspapers did not use the name of *The China Weekly Review* but stated that articles pertaining to military conditions in Yunnan "which did not fully agree with facts had appeared in a certain foreign weekly paper in Shanghai." According to the Nanking report the complications developed when the *Central Weekly*, which is the weekly edition of the *Central Daily News*, organ of the Kuomintang, "due to an oversight, translated and published the said articles pertaining to conditions in Yunnan," which had appeared in *The China Weekly Review* last autumn. As a result of this action the editor of the *Central Weekly* in Nanking was ordered to be "appropriately punished," and in addition it was said that steps were to be taken "to obtain a retraction of the misstatements and an apology from the management of the foreign weekly in Shanghai."

As a direct result of the foregoing the editor of *The Review* was informed through official sources of a complaint made by Wang Tcheng-ki, Special Delegate for Foreign Affairs of Yunnan Province, which charged that Mr. Burton's articles had "misrepresented real conditions in Yunnan, pertaining to the military situation as well as French political activities in general." There was no reference to specific points wherein Mr. Burton allegedly had erred in his articles, and Mr. Wang furthermore refused to permit *The Review* to have a copy of the complaint for purpose of reproduction. In the circumstances *The Review* is not in a position to take any further notice of the complaint pending receipt of further information from Yunnan citing definite instances of error. When Mr. Burton was informed of the complaint he stated that the information contained in his articles was obtained from official Chinese sources in Yunnan and French sources in Indo-China or from supposedly authoritative foreign sources of information in Yunnanfu, Hongkong and Canton. In the event there were inaccuracies in the

articles *The Review*, as well as the writer of the articles in question, would be quite willing to publish adequate corrections, but, as stated in the foregoing no further action can be taken pending the receipt of further information from Yunnanfu.

From the nature of the complaints as reported in the Chinese newspapers as well as the official communication from the Special Delegate for Foreign Affairs of Yunnan, *The Review* is inclined to believe that the complications have been stirred up by French officialdom in Indo-China who apparently resented the charge that the French railway is being used to strangle non-French as well as legitimate Chinese enterprise in China's southwestern provinces and that the situation prevailing in this area is not greatly different from that which prevailed in Manchuria prior to the Japanese occupation in 1931. As a matter of fact Mr. Burton forecasted that the next "imperialist drama" in Asia probably would be staged in Yunnan and on the high table-lands of Tibet and western Szechuen. Recent news reports from that quarter tend to confirm these forecasts. Mr. Burton's articles were translated and widely reprinted in the Chinese newspapers and also were reprinted abroad in both the United States and Europe. The Foreign Policy Association, a non-official organization in the United States, announced on Jan. 17 that it also was publishing shortly a special report dealing with the extension of French influence from Indo-China into Yunnan.

DORIS DUKE AND HER CHINA CIGARETTE MILLIONS

THE newspapers continue to print stories about Miss Doris Duke, daughter of the late James Buchanan Duke founder of the British-American Tobacco Company, who died in 1925 and left an estate appraised at more than G. $101,000,000. In 1927 Miss Duke's share in the estate was appraised at G.$53,000,000 but the shrinking process which began in 1929 is thought to have reduced the value to about U. S. $30,000,000 at the present time. She received a third of the estate on Nov. 21 last when she came of age and will receive half of the remainder on her 25th birthday and the balance of the estate when she is 30. But even with the depression in tobacco shares, Miss Duke is still rated as the world's richest girl and according to the reports in the newspapers she makes the most of her opportunities for enjoyment with five mansions at her disposal, the gray stone one at 1 East 78th Street, New York; the 5,000 acre Duke Farm at Somerville, New Jersey; the Tudor-style castle at Rough Point, Newport; one in North Carolina and the fifth at Antibes. She always travels with a maternal bodyguard—Mrs. James B. Duke—or with a fraternal one, her half-brother Walker Paterson Inman, and thus manages to keep herself occupied in going about from one residence to another with occasional trips to Europe, but according to the newspaper reports her life is not an entirely happy one because after a few days at any one place she attracts so much attention that she is compelled to move on to somewhere else. She has no vocation and little expectation of ever having to follow one. A considerable portion of the fortune amassed by her father, the late James B. Duke, was derived from the China cigarette trade which was developed by the British-American Tobacco Company into which Duke invested most of his money following the dissolution of the American tobacco trust by the United States federal authorities. When Duke died in 1925 he left about half of his estate or G.$53,000,000 to his daughter and G.$40,000,000 to Duke University at Durham, North Carolina, which has since become a leading educational institution of the southern states of the American Union. In view of Miss Duke's lack of a vocation, except that of posing as a "poor little rich girl," one would think that some effort would be made to interest her in some form of philanthropy concerned with China, particularly in view of the fact that most of her father's fortune was derived from the profitable cigarette trade in this country. The numerous missionary organizations concerned with China should be able to suggest some scheme whereby Miss Duke could put some of her fortune to useful service among the poverty-stricken millions in this country whose coppers contributed so handsomely to the upbuilding of the fortune of the richest girl in the world.

CHINA'S ANXIETY OVER POLICY OF U. S. TOWARD MANCHUKUO

SEVERAL Chinese newspapers, particularly those in Peiping, recently have expressed anxiety regarding possible changes in American policy on the question of non-recognition of Manchukuo. Fear was expressed that President Roosevelt might reverse the Hoover-Stimson doctrine of non-recognition of territory acquired by force in violation of the League Covenant, Nine-Power treaty and Pact of Paris. Dr. Stanley K. Hornbeck, chief of the Division of Far Eastern Affairs of the State Department, made an effective answer to the questions raised by the Chinese editors in his address on the "Cause and Cure of War" which was delivered in Washington on Jan. 18 last. Dr. Hornbeck's address was delivered about the time the Japanese began to talk about the coronation of Pu Yi as "emperor" of Manchukuo, hence the declaration of this important official of the State Department might also be regarded as a reply to the Japanese on this same issue. At least the Japanese regarded it as such for Dr. Hornbeck's speech stirred up a considerable commotion in foreign office circles in Tokyo. Owing to the importance of this question of American, recognition or non-recognition of Manchukuo and the significance of Dr. Hornbeck's declaration, *The Review* is publishing the speech in full, the first installment having appeared in our issue of March 3. As Dr. Hornbeck stated the foreign policy of a nation is a living force which grows with the country and in a sense expresses the public opinion of the people on issues concerning their national welfare. America's action through President Woodrow Wilson at the Versailles Conference, through Harding and Hughes at the Washington Conference and later through Coolidge and Kellogg in connection with the Anti-War Pact, constituted a striving for world peace, an attempt to create machinery for the settlement of international differences without resort to war. Both Japan and China as well as practically every other nation on the face of the globe were parties in one way or another to these various commitments. But the Japanese, for reasons which they doubtless regarded as adequate, decided to tear up these various treaties and throw them in the wastebasket.

Japan's decision to take individual military action without consulting her partners and her further action in overrunning the territory of a neighboring state and practically annexing it to her domain does not, however, alter the fundamentals in the situation. The American decision still stands and obviously cannot be altered without serious consideration and consultation with other nations which were associated with the United States in the framing and adoption of the various pacts. In other words there are serious responsibilities involved in this question for recognition of Manchukuo would involve an abrupt turn-about-face on fundamental principles concerned with world peace which have been incorporated into American policy. Recognition of Manchukuo would involve not only the scrapping of the peace machinery, but also would constitute recognition

of the principle that might makes right, in which event there would be no more security in the world. As a matter of fact Japan's arbitrary acts in 1931 have already been directly responsible for the tendency on the part of all nations to build up their armament and look about their defences.

That strong pressure is being exerted to induce the United States to alter its established policy in the Far East is well known. Americans interested in trade in the former Chinese provinces are being handicapped in their activities in numerous ways. Even the American missionary bodies and the Y. M. C. A. which previously functioned in Manchuria as branches of parent bodies with headquarters in Peiping, Tientsin or Shanghai have been compelled to cut loose from thier long-established China connections and take their orders from headquarters in Japan where Japanese influence is predominant. American firms in Manchuria which previously operated as branches of parent organizations in China proper are being compelled to cut loose and either establish independent offices in Dairen or become branches of concerns with headquarters in Japan. No longer can American or other foreign firms supply stocks to Manchuria from warehouses in Shanghai or Tientsin. All of these things involve extra expense and a change in methods of doing business in the Far East; hence faced with the necessity of making a decision between principles or profits, most businessmen sacrifice the principles and in the hope of improving their positions urge upon Washington the recognition of Manchukuo. But Japanese pressure extends much further than mere interference with businessmen and missionaries. Japan is making a strong bid for naval parity, threatening to upset the balance which was established at the Washington and London conferences. Japan is raising questions even about certain phases of American commercial and cultural activities in China, seeking to establish her position as the dictator of the Far East. All of these moves constitute pressure upon the United States to alter long-established policies, some even affecting the conduct of American official organs, as the Japanese are trying to force the State Department to transfer its Manchurian consulates to the Embassy at Tokyo instead of the Legation at Peiping.

But the United States has resisted this pressure and doubtless will continue to do even though it involves losses and sacrifices on the part of American citizens and the government itself. Rather than worry about possible alterations of American policy in favor of expediency at the sacrifice of principles, it would seem that the Chinese newspaper editors would be performing a greater service to their own country by paying closer attention to Chinese official policy on the Manchurian issue. Up to the recent declaration of Wang Ching-wei, head of the Executive Yuan and the recent discussions in the Legislative Yuan China had been strangely silent on her Manchurian policy leading to a suspicion that certain highly placed officials were involved in secret compromises behind the scenes. The so-called Tangku Truce signed on May 31, 1933 which ended the Sino-Japanese hostilities has given the impression abroad that Nanking has tacitly—if not formally—abandoned Manchuria to Japan. And to make matters still worse the present squabbling that is going on between the Chinese and Japanese military authorities over the control of certain cities and passes in the vicinity of the Great Wall indicates quite conclusively that negotiations are proceeding on the important question of establishing a boundary between China and Manchukuo—further evidence of recognition by the northern Chinese military interests at least. The Peiping and Tientsin *Times* on Feb. 26 published a dispatch from Nanking alleging that the Japanese Minister, Mr. Ariyoshi, on his recent trip to Nanking not only discussed the subject of military aviation bases on the Fukien coast but also brought up the more important issue of re-establishment of railway, postal and mail services between China and Manchukuo as well as an agreement on the matter of establishing customs stations along the boundary of the Great Wall. The report alleged that Ariyoshi urged Wang Ching-wei to sign an agreement binding China to open negotiations with Japan to settle these various issues constituting outright recognition of Manchukuo. What Wang Ching-wei replied to this has not been announced but it has been announced that Ariyoshi is shortly returning to Tokyo for a further conference with his home officials. While reminding the American government of its obeigations and established principles in Far Eastern diplomacy, it would also be well for the Chinese newspaper editors to remind Chinese officialdom of the far more important principles which are involved in China's policy on the Manchurian issue.

WILL THERE BE WAR BETWEEN JAPAN AND RUSSIA THIS SPRING?

ONE of the most frequently asked questions in this part of the world has to do with the possibility of an early outbreak of war between Japan and the Soviet Union. A few weeks ago the possibility of a similar outbreak between Japan and the United States was similarly discussed. Hugh Byas, correspondent in Tokyo for the *London Times*, recently was quoted in a *Reuter* dispatch from London to the effect that an outbreak between Japan and the Soviet Union "was unlikely" or words to that effect. As evidence for his belief, Mr. Byas stated that Japan has no intention of attacking, and Russia cannot attack. Further, Mr. Byas declared that east Siberia is not worth a war, that Koki Hirota Japanese Foreign Minister is trying to settle outstanding questions in a "conciliatory" manner. Finally, Mr. Byas said that even more serious than the Chinese Eastern Railway problem are Soviet armaments and the airfleet at Vladivostok "which would be able to destroy chief Japanese cities within a few hours."

Granting that Mr. Byas due to his long residence in Tokyo should be more familiar with Japanese conditions than most persons, one cannot help inquiring how anyone regardless of how well informed he may be, could possibly say with certainty whether Japan will or will not launch another war on some nation in the not distant future. In the first session of the Japanese Diet on Jan. 23, one of the members, Count Yoshinori Futara in the course of an interpolation deplored the publication of "war stories" such as that by Admiral Nobumasa Suetsuga which stirred up such a commotion in the United States. It was Admiral Suetsuga's highly inflammatory article depicting the defeat of the United States fleet by the Imperial Japanese navy, which was seized and confiscated by the U. S. Customs authorities at Honolulu. In the meantime Admiral Suetsuga has been appointed Commander-in-Chief of the Japanese combined fleet and concurrently Commander-in-Chief of the First Fleet, hence the publication of his "war stories" apparently did not harm him in domestic politics in Japan. But when the question was raised in the Imperial Diet, Admiral Osumi, Minister of the Navy and Admiral Saito, Premier, both expressed the view that such articles "needlessly excited the feelings of Japan's neighbors and led to an impression that fighting was the essence of the Japanese spirit." Admiral Osumi then remarked that the "true Japanese 'kodo' spirit is in winning without fighting," meaning apparently that if Japan cannot win without fighting she will not hesitate to fight if such is necessary in order to win. The important point apparently is to win one way or another, regardless of the merits of the

case. Imperial Japan never is wrong in her controversies with other states.

It is the prevalence of this spirit which makes it impossible to forecast whether or when Japan will launch another war. Another reason for the uncertainty is based on domestic conditions in Japan which at any time may make it desirable or obligatory for the military clique to launch a foreign war in order to head off domestic discontent leading in the direction of a revolution. Wars between nations do not "just happen," but are the result of long-continued disagreement which the nations have not been able to adjust otherwise. Considered from this standpoint a war situation already is in existence not only between Japan and Russia, but also between Japan and the United States and Japan and Great Britain. For some inexplicable reason however the Japanese seldom talk about a possible war between their country and Britain despite the fact that the two countries are constantly engaged in a most desperate trade battle which extends from China to Manchester. But they do talk quite frankly about possible war between their country and Russia and also with the United States. Japanese army officers in their addresses on public cocasions are said to constantly stress the point that Japan is being "oppressed" by the United States, that Japan's normal activities in the Far East are being circumscribed and restricted by the United States of America, hence the high necessity for devoting from one-half to two-thirds of the budget to "extraordinary military expenditures in preparation for the crisis of 1935-1936 when the Washington and London arms agreements will expire and when Japan's resignation from the League will become effective."

Obviously Japan is in no position to finance the demands of the "war" budget which has just been approved by the House of Representatives and is still under consideration of the House of Peers. The budget, which is the largest in the history of the nation, calls for the expenditure of Yen 2,112,133,482. When added to the basic expenditures of the nation it means an outlay of approximately Yen 2,800,000,000 or more than double the total annual revenue of the country which amounts to about Yen 1,300,000,000. In order to meet the demands of this budget it will be necessary for the Finance Ministry to float bonds in excess of Yen 1,000,000,000 and this in the face of the fact that the Bank of Japan is already holding more than Yen 1,000,000,000 worth of bonds from last year's budget which it has not yet been able to dispose of. As a result of this deadlock Finance Minister Takahashi threatened in the Diet that it might be necessary to enact special legislation to compel private banks, trust companies and insurance concerns to purchase bonds.

Japan's national debt now amounts to approximately Yen 10,000,000,000, of which Yen 8,000,000,000 is domestic and Yen 2,000,000,000 foreign. At 5% this means an interest charge of Yen 500,000,000 annually, a serious problem when it is realized that Japan's total revenue derived from taxation amounts to only Yen 690,000,000 a year or only Yen 190,000,000 in excess of the annual bill for interest on the bonded debt. Japan's national wealth, according to the 1933 year book is estimated at Yen 110,188,000,000. Figured out on a family or household basis it means that each Japanese household is worth Yen 8,672 and each individual Yen 1,710. But during the present session of the Diet a delegation of 700 representatives of farmers' organizations appeared in Tokyo and presented figures showing that the total value of Japan's farm crops this year amounts to Yen 1,100,000,000, which, according to their figures means that the annual income is only 120 yen or 10-yen a month. Outstanding mortgage obligations against farm lands and properties was stated to be approximately Yen 5,000,000,000 and while farm lands in Japan normally are valued at about Yen 5,500,000,000, depreciation in recent years is said to have reduced the value to Yen 2,500,000,000 or Yen 3,000,000,000.

It is in these figures that the real crisis exists in Japan, but instead of meeting the domestic issue as most other countries are trying to do the military elements insisted upon "extraordinary expenditures" in excess of Yen 900,000,000, or approximately 45% of the budget, thus leaving the farmers, small merchants and industrialists out in the cold. When the advocates of agrarian relief became too insistent in the Diet the War and Navy Ministers announced that 96,000 farm boys would be taken into the munition plants and naval shipyards as apprentices. Needless to state the munition industries in Japan are in a flourishing condition, in fact it was frequently admitted that the present industrial boom was centered in the munition business. Although frequently pressed to assess higher taxes on the munition makers, Finance Minister Takehashi steadily refused on the ground that higher taxes at this time might precipitate a panic. Japan is therefore riding on the top of an industrial prosperity boom that is centered largely in the munition industry, hence it does not require much imagination to realize that something is bound to happen sooner or later for munitions piled up must be used otherwise they deteriorate and become useless.

In view of this situation no one can determine with any degree of accuracy which way the Japanese cat is likely to jump. Despite the critical situation on the Manchurian-Siberian border where there are almost daily clashes of some sort, many observers of the Japanese situation are convinced that Japan will not venture an attack on the Soviet Union owing to Japan's lack of a powerful ally in Europe. They also argue that a similar situation applies with respect to Japan and the United States. But on the Chinese front the situation is different, hence many feel that Japan's next military advanture will be into north China and Inner-Mongolia, the object being two-fold, to bring these territories into Manchukuo and to completely sever all land communication between China and Russia. But, as stated in the foregoing it is impossible to determine what will happen or when it will happen on any of these fronts because the situation depends not only upon Japan's critical external relations but also upon Japan's even more critical domestic situation. The military elements have been steadily and in some instances openly working for a fascist dictatorship based on the Italian and German models, but up to the present the political elements and political-merchants have been able to block the move. Most foreigners in Tokyo are convinced that the attempted military coup on May 15, 1932 which resulted in the assassinations of Premier Inukai and Baron Dan and widespread disturbances in Tokyo, would have succeeded had it not been for the fact that the police remained loyal to the civilian government. As a result there is strong feeling between the police and soldiers. A minor street incident in Kobe last year in which a traffic policeman struck a soldier for violating a "stop-go" signal was magnified into a major political affair involving the "prestige" of the army. On several occasions in the present session of the Diet the military charged that the politicians were trying to "estrange" the army from the public. The military elements constantly charge that politicians and political-merchants are corrupt and should be eliminated and there seems to be some ground for the charge because two important members of the Cabinet, Baron Nakashima, Minister of Commerce and Mr. Hatoyama, Minister of Education, were forced to resign because of charges of corruption. Kadzumi Okamoto, member of the Seiyukai or majority party charged in the Diet that certain Cabinet ministers had distrubuted money to 137 members of the national legislature. He was expelled from the party

because of these charges which almost led to a split in the party organization.

Up to the present the military elements have managed to keep the farmers, from which class they draw most of their conscripts, on their side but it is questionable how long they will be able to do so in view of the fact that the military continues to monopolize most of the budget to the increasing impoverishment of the agrarian classes, small merchants and industrialists. The monopolization of between one-half and two-thirds of the annual budget by the military naturally gives that class a predominant influence not only in political affairs but also in the industrial life of the nation. Tanizo Koyama, member of one of the minority factions in the Diet declared that the Government's neglect of the agrarians, small merchants and industrialists who constitute the "real power behind the gun" would tend to make even greater the disparity between the rich and poor than exists at the present and the passage of the military budget "would give rise to a terrible crisis both at home and abroad."

Manchukuo Organic Law Puts Japanese Advisers in Supreme Control---Almost Colonial Status

WHILE public attention not only in the Far East but throughout the world has been centered on the coronation of the Manchu "boy emperor" Pu Yi as ruler of Manchukuo under a monarchical form of government, very little attention has been devoted to the more important Japanese activities which have been concerned with the drafting of a new constitution or "organic law" for the new state. No text of the new constitution has as yet been published, but according to reports circulated from Hsinking (Changchun) during the course of the coronation ceremonies it was stated that the provisional constitution had been adopted, but the complete text probably would not be made public for about a year. The new constitution, according to the public announcements, was drafted by a Chinese member of the Changchun "puppet" cabinet named Chao Hsin-po, an attorney by profession who was educated in Japan and has been associated with Japanese interests in Manchuria most of his life. However, the real work was done by a number of leading Japanese constitutional lawyers who have been employed on the project for the past two years, their expenses being defrayed from the Changchun treasury.

According to reports about the new constitution, reports confirmed in a recent dispatch published in the *Manchester Guardian*, the new organic law which limits the new "emperor's" powers in every field, places the legal controlling power in the hands of the Japanese advisers who provide the Japanese "steel-framework" behind the orchid crests and embroidered robes of royalty with which the recidivist Pu Yi was draped. The Japanese attempted to do this originally when the Imperial Kwantung military authorities first created the puppet Manchukuo state and drafted the Japan-Manchukuo protocol which placed the domestic and external protection of the state under the supreme control of the Japanese Army, but they were not satisfied with their work in this regard or with the innocuous title of "chief executive" which appeared on the sign-board over Pu Yi's office. Therefore the incentive for recent developments in Manchukuo which involved the crowning of Pu Yi as "emperor" and the more important matter of putting into effect a new constitution which advances the status of Manchuria a considerable step further in the direction of an outright colonial dependency of the Imperial Japanese Empire.

According to an article which recently appeared in the well known Japanese magazine *Keizai Obrai*, written by Kinjiro Ito, the real work behind the scenes in Manchuria has been performed by a number of high Japanese officials occupying advisory positions in the Manchukuo government who have provided the "steel-framework" behind the handfull of Chinese and Manchu puppets who have received fat salaries for carrying out the orders of their Japanese masters. All of these Japanese officials were recommended to the Manchukuo administration, according to Mr. Ito, by the Japanese military authorities. Mr. Ito then described in his article some of the leading Japanese personalities concerned in the Manchukuo administration:

"Kumashichi Chikushi: The Privy Council of Manchukuo by Article XV of its organic law is defined as a consultative body which will express its opinion in matters of law, the Chief Executive's messages and ordinances, budget, State declarations and appointments of high-ranking officials, in response to enquiries of the Chief Executive. Chikushi is one of its leading members. He is a retired Lieutenant-General of the Imperial Army of Japan and contributed much in matters of technique in the closing years of the Taisho Era. Although a soldier, he is expected to deal with everything that comes his way as the senior Japanese member of the Privy Council. His later life thus is devoted to the execution of administrative duties in Manchukuo. As a matter of fact, he was recommended for the post by seniors in Japanese Army circles.

Tanabe on Council

"Harumichi Tanabe: Former career bureaucrat in the Japanese Ministry of Communications, sits next to General Chikushi as Japanese member of the Privy Council. For a brief period of time he was Governor of Osaka Prefecture. He was dismissed by Tsuyoshi Inukai, then Minister of Communications, but later Inukai came to like him because of his broad mind and helped him in one way or another. He talks grandiosely, especially on occasions of banquets, and he has made himself a personality which was not compatible with the bureaucratic atmosphere in Japanese Government circles. He was made Governor of Osaka Prefecture by Home Minister Kisaburo Suzuki in the Tanaka Cabinet, and while in Osaka he made himself feared among geisha girls, but he has since stopped drinking, probably for reasons of health. He is an expert in postal and communications matters.

"Katsuyochi Usami: Under the Privy Council is the State Affairs Yuan, whose duty it is to administer to the needs of the populace. It is headed by the Premier but Usami is adviser to the Yuan. After graduating from the Tokyo Imperial University, the cradle of Japanese bureaucrats, in 1896, he served in Government posts, so successfully acquitting himself that in his long career he was out of office only two years. In 1925 he was promoted from Governor of Tokyo Prefecture to the post of Chief of the Decorations Bureau of the Cabinet. A native of Yonezawa in north-eastern Japan, he made himself dear to such slow-moving bureaucrats as Tosuke Hirata, Seiki Terauchi and Isaburo Yamagata. While he was Governor of Toyama Prefecture in 1908, he was recognized by Isaburo Yamagata, then Vice-Minister of Home Affairs, and when the latter accepted the post of Civil Administrator of Chosen under Governor-General Terauchi, he took Usami with him to Seoul. When Premier Takashi Hara made drastic changes in the administration of Chosen, he was dismissed together with Teizaburo Sekiya (ex-Vice-Minister of the Imperial

Household) and Shinzo Kohara (ex-Governor of Niigata), but Yamagata had him appointed through the good offices of Home Minister Takejiro Tokonami and Vice-Minister of Home Affairs Kobashi as Governor of Tokyo.

"Premier Hara did not like to see him in the post, but he was not in a position to oppose the Toko-nami-Kobashi selection. When he was appointed Chief of the Decorations Bureau, it was thought that was the end of his active career, but he was called upon to fill a high post in Manchukuo because of his high character and his experience of nearly ten years in Chosen. Though hard-boiled he is kind, and there is little likelihood of his failing to acquit himself well among high Manchu officials.

Endo Has Important Job

"Ryusaku Endo: He served as Governor in Aomori, Miye, Kanagawa and Aichi before he accepted the post of Chief of the General Affairs Bureau of the Manchukuo Government. He had been in Aichi less than a year when the offer was made, and at the time he seemed unwilling to go to Manchuria, but now he is enthusiastic in the execution of his new duties which he took up last summer in Hsinking. The post he occupies is in the nature of Chief Secretary of the Cabinet, the post which had been left vacant for a long time after Tokuzo Komai returned home. He became a member of the House of Representatives in the general election held by the Tanaka Cabinet. He comes from a rich family in Saitama Prefecture. Bulky and smiling he is intimate with many influnetial men. He was in Chosen for eight years as secretary to Isaburo Yamagata and on that account he may be said to be an expert in colonial affairs. Through Yamagata, he has won the friendship of Usami. He has a high respect for the late Viscount Eiichi Shibusawa, also a native of Saitama. While at home he used to hear Buddhist lectures from the Reverend Seisetsu Seki of the Tenryuji temple at Saga, hence he is no ordinary bureaucrat.

"Kichi Sakatani: Son of Baron Yoshiro Sakatani, he was vice-chief of the General Affairs Bureau under Komai and in the absence of the chief until the appointment of Endo, he acted as head of the Bureau. Before he went to Manchuria, he had been a bureau chief in the Ministry of Overseas Affairs, and before entering that Ministry he was on the staff of the Bank of Japan. His wife is a daughter of the late Yataro Mishima, who once headed the Bank of Japan. He has an expert knowledge of taxation systems and financing, and his services in Manchukuo are well worthy of mention. Both Endo and Sakatani are men who would have risen quickly even if they had remained in their posts in Japan.

"Kazue Shinagawa: Chief of the Inspection Bureau of the Inspection Yuan, is the very man for the post, whose duty it is to inspect affairs of other governmental offices. Although he graduated from the Imperial University in the same year as Ryusaku Endo, he never became a prefectural Governor. While he was vice-governor in Aichi prefecture, he fought single-handed the local financial circles revolving around the proposed establishment of a new duty on profits of exchanges, and the outcome was his degradation to the same post in far off Miyagi prefecture. In the course of his governmental career he served the Metropolitan Police Board and also in the Ministry of Overseas Affairs, but all the time he felt that the world around him was too small. Co-operating with him there are two able young Japanese officials, Hideo Terazaki and Kazuo Endo, Chief of the Accounting Bureau and Chief of General Affairs of the same Yuan.

"Another able Japanese in the Manchukuo Government is Chuichi Ohashi, Vice-Chief of the Foreign Affairs Yuan. He had been consul-general at Harbin before he became a Manchukuo official. Since his assumption of the Manchukuo post, he has assisted in drafting the communiques of Manchukuo to the Powers announcing its foundation, in dealing with the Lytton Commission and the Soviet-Manchukuo negotiations for the transfer of the North Manchurian Railway, the last named being an important problem yet to be solved. He is acknowledged as a strong man in supporting of Manchukuo. As a matter of fact Mr. Ohashi has almost complete charge of the Manchukuo Foreign office as Hsieh Chieh-hsi, the Chinese (Formosan) Minister, spends most of his time at the Hoshigaiura Beach Hotel at Dairen where be draws his pay and enjoys life.

Opportunity for Japanese Young Men

"Manchukuo is a land for young men. Most of the Japanese in the employ of the Manchukuo Government are comparatively young and their selections have been made on the basis of their ability in various fields. They have been drawn from various Ministries in Tokyo.

"Among others there are: Imasuke Matsuda, Chief of Accountants of the General Affairs Bureau (from Finance Ministry); Toyoji Minagawa, Chief of the Personnel Bureau, (from Justice Ministry); Kazuharu Kamio, Chief of the Secretariat of the General Affairs Bureau, (from Home Ministry); Tokui Tekuchi, Chief of the General Affairs Bureau of the Administrative Yuan, (from the Kwantung Government); Yoshisuke Matsuda, Chief of the Police Bureau of the North Manchuria Special District, (from the Metropolitan Police Board); Yasuyori Takahashi, Chief of the General Affairs Bureau of the Industrial Yuan, (from the Commerce and Industry Ministry); Kagami Matsushima, Chief of the Agriculture and Forestry Bureau, (from the Ministry of Africulture and Forestry); Naoki Hoshino, Chief of the General Affairs Bureau of the Finance Yuan, from the Finance Ministry); Kyo Tanaka, Chief of the Finance Bureau of the Finance Yuan, (from the Finance Ministry); Inuyuki Morita, Chief of the Railway Bureau (from the South Manchuria Railway Company); Yasuaki Fujiwara, Chief of the Postal Bureau, (from the Communications Ministry); Masatake Furuta, Chief of the General Affairs Bureau of the Justice Yuan, (from the Justice Ministry); Masai Nishiyama, Chief of the General Affairs of the Education Yuan, (from the Ministry of Education); Tetsuya Kamimura, Chief of the Religious Affairs Bureau, (independent educationist); Shiro Nagai, Chief of the General Affairs Bureau of Heilungkiang Provxince, (from the Overseas Affairs Ministry and Koitsu Nakano, Chief of the General Affairs Bureau of Jehol Province, (ex-lawyer)."

The "Japonization" of Manchukuo also extends far beyond the government offices at Hsinking and includes the various provincial administrations and in some cases even the hsien or country governments. The 1,000 and more miles of railways which the Chinese authorities formerly operated in Manchuria, but which are now operated under contract by the Japanese Government-controlled South Manchuria line, have become almost as Japanese from the standpoint of personnel as is the S. M. R. All executives and officials, even down to the lower grades of track superintendents and station masters are now Japanese who were appointed by the S. M. R. The only important posts not held by the Japanese along the railways apparently are the armed guards who protect the bridges. Most of them are White Russians who were recruited for this work by the old Cossack, Ataman Gregori Semenoff, who now has an office in Dairen.

The Correct Name for Japan---"Nippon"

Japan should be called "Nippon," universally, in accordance with her original title, according to motions recently presented by members belonging to the Seiyukai and the Minseito to the House of Representatives.

In this connection it may be stated that Chamberlain, in his book on the study of Japanese, says that "Nippon" is less elegant than "Nihon."

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Japanese See Great Future for Manchuria Under "Tranquility and Virtue" Monarchy

AN Imperial salute of 101 guns at Changchun, shortly after noon on March 1 announced that the reign of Kang Te ("Tranquility and Virtue") had begun in the person of the erstwhile Henry Pu Yi, who in the resplendent blue dress uniform of a Field Marshal entered the Hall of Ceremony and mounted the "Jade Throne." The "banzais"—Japanese word used in the sense of "hurrah," but in reality a variant pronunciation of two Chinese characters "Wen sei" (*i.e.*, 10,000 ages)—were led by the aged Prime Minister of Manchukuo, Cheng Hsiao-hsu.

The day's ceremonies began at the Altar of Heaven. Huge yellow curtains encircled the Altar, on which the newly-made monarch offered libations of wine, jewels, silk and a flayed bullock to the goods. The climax came when the Emperor, clad in a gorgeous Manchu robe of vivid blue and red, raised his eyes towards the sky and held aloft for Heaven's consecration a great jade seal of power which the chief ritualist had handed him. The Emperor then thrice prostrated himself on the altar while ritualists intoned the ancient Chinese ritual. After the service at the Altar of Heaven was completed, the new Emperor, Kang Teh, returned to the Palace in an American motor car. Along the entire five-mile route to the Altar, the Emperor's only audience was comprised of Japanese and Manchukuo soldiers. They were estimated to total 50,000 in number and they lent a decidedly military effect to the scene. Foreign witnesses remarked that the entire ceremonies lacked a human touch and popular appeal. The exclusion of the public made any attempt on the new monarch's life impossible, had any such been attempted. Between every three Manchukuo soldiers was stationed one seasoned Japanese trooper charged with the duty of guarding the Emperor and at the same time watching his Manchukuo comrades. Foreign newspaper men and photographers, wearing formal evening dress and high silk hats were, upon the instructions of the authorities, grouped together and surrounded by armed Japanese secret service men. The highest Japanese officials rode to the palace in resplendent American limousines, but Premier Cheng Hsiao-hsu, dressed in a drab Chinese gown, came afoot and remained in the background throughout the ceremonies, a picture of dignified humility.

The enthronement of the new monarch is the crowning life-work of the aged Prime Minister Cheng, who as tutor to Pu Yi, has worked unremittingly for 23 years for the Manchu nobleman's restoration. It was he that led the officials and guests into the enthronement room at the Palace when the Emperor took his place on the ebony throne. A Manchu dignitary, dressed in rich classical robes, thereupon handed the Emperor-elect on a yellow silk cushion the great jade Seal. The Emperor was now wearing a blazing gold decoration, the Rising Sun of Japan, presented him by his brother Emperor in Tokyo. While the new Emperor sat on his Throne, with all the dignity that his youthful face could command, the Prime Minister presented the various Manchu, Mongol, Chinese, Japanese and foreign guests to His Majesty, each bowing reverently before the new Sovereign. The kow-tow"" (prostration) ceremony was the only part of the old Manchu ritual that was not followed.

The pale and fragile Empress Elizabeth meanwhile received a group of Chinese, Manchu and Mongol women bearing gifts. This was the first emergence of the Empress from her convent-like seclusion. During the final activities of the day, the "nobility" streamed to the palace garbed in gorgeous robes and costumes and displaying court jewellery and regalia not seen since the days when the Peking Dynasty fell. Groups of Manchu and Mongol bannermen in their native costumes and big sword men with lances were in attendance.

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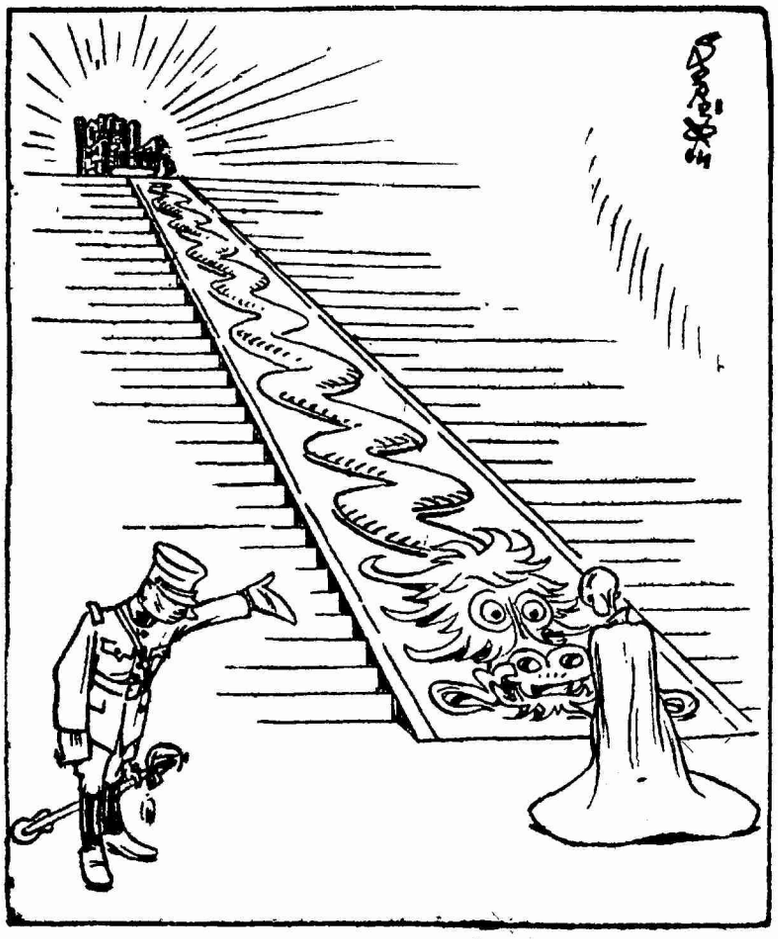
Viscount Saito, Japanese Premier, and K. Hirota, Japanese Minister of Foreign Affairs, in a statement issued in Tokyo, March 1, expressed the conviction that the inauguration of a monarchy would further consolidate the national foundation of Manchukuo, and thus contribute to the maintenance of peace in the Orient. Both Viscount Saito and Mr. Hirota congratulated Manchukuo, and also Henry Pu Yi on his accession to the throne. In his opening address before the Diet in Tokyo March 1, Mr. Akita, the Speaker, informing the Diet of the establishment of a monarchy in Manchukuo; proposed a resolution for an expression of congratulations as a Diet decision and it was carried unanimously. Koki Hirota, the Japanese Foreign Minister, said the coronation was a source of congratulations not for the new Empire alone but for Japan, which has made every effort to encourage the healthy development of the new state. He opined that the Empire under the new ruler will be put on a firmer foundation.

General Takashi Hishikari, the Japanese Ambassador to Manchukuo and concurrently Commander-in-chief of the Japanese Kwantung Army in Manchuria, expressed felicitations over the enthronement in the Manchukuo capital (Changchun). He stated that the coronation of the Chief Executive and the promulgation of the Imperial Rescript announcing the adoption of a monarchy, "will go a long way towards placing the state on a more solid foundation and that Japan expects much of her in contributing towards the establishment of peace in the Far East." Expressing his deep sense of appreciation of the ardous work on the part of Manchukuo officials under the Chief Executive since the founding of the State two years ago, in co-operation with the Japanese, to surmount various difficulties, General Hishikari declared that the progress made by the new state in various fields of administrative works, is an event worthy of special mention in the history of the human race. He added that if the new Empire will co-operate with Japan in introducing a more settled phase into the Far Eastern situation and welfare among men of the Orient, she will go a long way in contributing towards relieving the world at large of the present chaotic conditions.

Coincident with the enthronement, the new Government observed the second anniversary of the foundation of Manchukuo. To commemorate the second anniversary celebrations, as well as Pu Yi's enthronement, special jubilee postage stamps, medals, posters, badges and other emblematic articles were issued. Special cinema performances, lectures, speeches banquets and other festivities were among the features. The new Emperor also issued an amnesty to a large number of political prisoners on the occasion of his accession.

One of the first acts of the new monarch was to issue (March 1) an imperial rescript to his new subjects stressing "co-operation with our great neighbor Japan." The spectators of the issuance of the imperial decree calling for co-operation with Japan (according to the *Associated Press*) were confined to highly placed Japanese and Manchukuo officials. The rescript declared, in quaint Chinese phraseology, that the new Empire had been

founded upon the principles of "love for all men and obedience to Heaven's will." "The establishment of the Empire has effected the salvation of our people from the agonies of the sufferings of water and fire," Kang Teh declared. "To-day the country is bathed in the radiance of the sun and the moon and the stars. Heaven favors only those who are virtuous. I proclaim this first year of Kang Te one dedicated to construction. Heed our rescript! Hear all ye people!"



—By "Sapajou" in the North China Daily News

"YOUR IMPERIAL MAJESTY"

A Tientsin telegram dated March 1 to the *Sin Wan Pao* stated that a state of uneasiness prevailed in both Tientsin and Peiping and the general belief is that something unusual is about to happen in the near future. The public was first alarmed at the attempt made on General Ma Chan-shan and then by the threatening attitude of the Japanese garrison forces in wanting to conduct their maneuvers along the Tsin-Pu Railway. Although the maneuvers on the surface appear an ordinary matter, the fact that the Japanese insisted on holding them in Chinese territory along the Tsin-Pu Railway naturally created Chinese resentment. Manchukuo agents are reported active in Tientsin. There are several prominent leaders directing the movements of these agents. The man in highest command is General Shih Yu-san and under him are the former followers of General Chi Hung-chang, a Feng Yu-hsiang adherent. General Shih is directing operations from the Japanese Concession in which he now resides. The man who commands these agents outside the Japanese Concession is Ho Peng, who was once arrested and later released by the Chinese authorities. It is reported that these agents have formulated detailed plans for staging a riot in Tientsin, this time much more carefully than on the two previous occasions. Through it all shines the evident intention of Japan to keep North China in an uproar as a possible prelude to secure its secession from the Nanking government and its adherence to the Manchukuo regime. A fleet of about 30 Japanese airplanes came down over the Great Wall on "coronation day" and dropped leaflets extolling the new Manchu regime.

According to reports coming in from Malangyu, a city along the Great Wall where the Manchu Imperial Mausoleum is situated, a spacious airfield has been constructed in that region. Formerly ten planes were on regular service between Jehol and Malangyu bringing supplies to Jehol. But recently 25 additional planes are stated to have arrived at Malangyu, bringing with them a large quantity of arms and ammunition. These war weapons are for the present being stored at Malangyu.

The Japanese residents at Tsingtao decorated their buildings and shops with Japanese and Manchukuo flags in celebration of the enthronement of Pu Yi. Many motor cars owned by Japanese speeded around the city during the day distributing pamphlets as they went and many placards were pasted along the streets. Similar celebrations, engaged in by Japanese, took place at Tsinan.

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The Farcical Changchun Puppet Show

In regard to the enthronement of Pu Yi as emperor the Chinese press was unanimous in the view that little importance should be attached to the event, as it represents but another "smoke screen" prepared by the Japanese to delude the world.

The comments of the Chinese press on the "enthronement" of Pu Yi were summarized by the *Shanghai Evening Post*, an American paper in Shanghai, as follows: "A monkey puts on his hat and enters the Punch and Judy stage today at Changchun for a farcical play directed by Japan!"

The *Central Daily News* (Nanking semi-official organ) commented: Henry Pu Yi's enthronement is a "farcical comedy." Whatever form the puppet regime in Manchuria may assume, Pu Yi and his followers will remain Japan's slaves as before. Nevertheless, Pu Yi's elevation to the throne represents another step forward in Japan's aggressive designs, it being further confirmation of her intention to keep the four provinces wrested from China by force of arms and in violation of sacred treaties. Although China is at present unable to recover her lost territory, the four provinces will eternally remain a part of China. The blood which has been shed by the Chinese people in the past two years has not been shed in vain, but will have its reward. The struggle of the Chinese nation will not cease until this object is achieved.

Manchuria Now at the Mercy of the Japanese

The Shanghai *Shun Pao* commented: "Henry Pu Yi, the deposed Emperor of the Manchu Dynasty, was enthroned Emperor of Manchukuo March 1. The Japanese are celebrating the occasion as an auspicious event in the Far East. Everybody knows that the enthronement of Pu Yi is the work of the commander of the Japanese Kwantung Army. But why do the Japanese insist on the people in Manchuria sending petitions to Changchun urging Pu Yi to accept the throne as if Pu Yi ascended the monarchical throne at the request of the people? Such false pretences are of some use when the majority of the people do not know the inside of the movement, but it only appears to be more ridiculous when everybody knows that the enthronement is the work of the Japanese. However, the Japanese are not so foolish to waste their labor in making such false pretences if it is really useless; there must be some reason which prompted the Japanese to do this. When Manchukuo was first established the world knew very well that it was not the wish of the people in Manchuria but it was formed under the military coercion of the Japanese. The people in Manchuria until to-day still entertain deep resentment against the puppet organization and the Japanese, but they are unable to do anything under the yoke of Japanese militarism. During the last two years the administration in Manchuria has nothing to do

with the people of that land and the persons who are supposed to be in charge of the administration are themselves puppets of the Japanese, who are really masters of the land. At present there are no less than 150,000 Japanese troops distributed at different parts in Manchuria. It is clear that Manchuria is now at the complete mercy of the Japanese and they are in a position to do anything they like in that territory. The Japanese could annex Manchuria, declare it a Japanese protectorate or crown Pu Yi Emperor of the new State.

"Many Japanese nationals are calling themselves Manchukuo citizens by virtue of their long residence in Manchuria. Armed with this new nationality the Japanese are serving in the Manchukuo Government. They declare themselves to be working for Manchukuo, but actually they are working in the interests of Japan. At present the highest authority in the Manchukuo Government is in the hands of these Japanese, who claim to have dual nationality, the so-called ministers being only their puppets. All police forces and militia in Manchuria are now under Japanese control. The situation in Manchuria to-day is such that nothing short of a stronger military force than Japan could dislodge the Japanese from that territory. Therefore, the conditions of the Chinese in Manchuria are even more helpless than those in which they found themselves two years ago.

"The enthronement of Pu Yi also indicates that Japan is gradually extending her influence into Inner Mongolia. Japan knows well that sooner or later there must be a war between Soviet Russia and Japan. In case of such an outbreak it would be difficult for the Japanese to hold Manchuria unless they control Inner Mongolia, in which case the Japanese could easily envelop Siberia from the south-east. But in order to attain this object they must first win over the support of the Mongolians to the Manchukuo Government. The Mongols still have a profound respect for the Manchu Household and deeply believe that only an Emperor can control them. The Japanese purposely crowned Pu Yi Emperor of Manchukuo in order to please the Mongols. Therefore, there is no room for doubt that after the enthronement, the Japanese would take positive actions against Mongolia, which is a fact that should not be ignored by the Chinese.

"It could also be said that the enthronement of Pu Yi is an attempt on the part of Japan to test out the real intentions of the Powers towards the Far East."

The Motivating Power Is the Japanese

The *Chung Hua Jih Pao* commented:—Although Pu Yi's coronation is insignificant in itself, a study of the forces behind the move will help to a clearer understanding of the problem of the North-east. It makes little difference whether Pu Yi be called a slave, an executive or an emperor, because in either case he remains head of a puppet state. What should be noted is the change of Japan's policies before and after the event. The present tension in the Far East is due to the forcible occupation of our North-eastern provinces by Japan, and the reason for her action, in total disregard of international law, lies in her desire to find a solution for the economic crisis in Japan. Moreover, in seizing the four North-eastern Provinces, she saw a way to secure an international balance of power; hence a positive policy along military lines was pursued with success. Although the administration of Manchuria is nominally in the hands of Pu Yi, the real motivating power is the Japanese; Pu Yi is only an obedient servant of the Island Empire. It is reported that after Pu Yi's enthronement, the puppet state will adopt a centralized system of administration. The obvious result will be a firmer Japanese grip upon Manchukuo's economic, political and military affairs. Therefore, the journal asserts, although ostensibly Pu Yi's position is elevated by accession to the throne, the tie between Manchukuo and Japan becomes all the more inseparable. Furthermore, while Japan's oft-announced Manchurian policy is one for the peaceful development of the puppet state, the underlying reason is her wish to suppress the Chinese Volunteers. Japan hopes to find peace in the new state which she has created because she will then be able to announce to the world that "Manchukuo" is an excellent international market. Besides in putting a crown on Pu Yi's head, Japan wants to win the hearts of the people of the North-east as well as to show something to the Mongolian dukes as a preparatory step for future invasion of Inner Mongolia. Tension is bound to increase in the Far East after this melodrama in the North-east. The primary task of the Chinese Government therefore should be to concentrate its attention and energy on the suppression of the Red bandits so as to put the country in order before coping with the future crisis.

Japan's Hand Behind the Scenes

The *Sin Wen Pao* commented:—It is not Pu Yi's actions which are significant but the moving hand behind the scene. China is concerned about his enthronement because "Manchukuo" is a part of Chinese territory. But it should be noted that the North-east was seized by the Japanese three years ago and the bogus regime was established in March the year before last. So, in connection with this change in the form of government in "Manchukuo," those who are the actors on the stage are not so important as those behind the curtain. The organization of the bogus state of "Manchukuo" was originally a play staged by the Japanese, and now this play has been improved through Pu Yi's accession to the throne. Moreover, the state of "Manchukuo" constitutes but a part of Japanese policy and its existence is merely temporary. That Japan should take the initiative in its formation is because she wants to retain what she has got by invasion and yet does not wish to be classed as an aggressive nation. As to Japan's tactics toward China, the puppet regime is utilized to enable her to evade our diplomatic pressure. Japan does not want to offend China too much because she still wants to retain her market here. But why should Japan make Pu Yi emperor? The answer to this is that she is planning to cultivate the goodwill of the Mongols in order to enable her to take Charhar without resorting to force, and by so doing better protect her interests against the Soviet Union. Pu Yi's enthronement is an insult to our nation, as the change in the form of government from the old system of dynasties to the Republic is in accordance with the wishes of the Chinese people. Now Japan has created this bogus state and made Pu Yi its emperor. In line with our revolutionary spirit therefore, we should continue to adopt self-protective measures in order to remove this national humiliation.

The *China Times* commented:—As Japan has always cherished the hope of conquering the world, her actions in China constitute but a preliminary step toward the realization of her Continental Policy. Why should Japan make Pu Yi emperor of Manchukuo? It being common knowledge that in her present position Japan can do as she pleases, why this round-about way? Although an offensive and defensive alliance, an economic alliance, and the conversion of Manchukuo into a colony of Japan will be the natural outcome in future, there are other reasons, which Japan knows very well, why she can not be too hasty in her actions. The fruits will drop to the ground when they are ripe, so everything takes time. The use of the name Manchukuo is contrary to all logic because their are no pure Manchus now, the race having disappeared and its language and customs gone with it. Moreover, the name is connected with all sorts of unpleasant experiences, so no Chinese will wish to have this old regime restored. While the choice of Pu Yi by the Japanese is bound to aggravate the crisis in the Far East, Japan's action can never deceive the world.

Canton Reacts by Boycotting Japanese Goods

Canton's reaction to Pu Yi's enthronement appears to be taking the form of a rigid boycott on Japanese goods. A display of signs against Japanese goods, coincided with the enthronement proceedings. Various public bodies also took advantage of the occasion to launch a "Buy Chinese" campaign, and native products were paraded through the streets. While no official statements were issued regarding the enthronement, all the papers published editorials denouncing the event and declaring that Pu Yi was making himself a "laughing stock."

Commenting on the coronation, the *Shih Min Jih Pao*, the official organ at Canton, declared that the enthronement, although not altering Pu Yi's status as a Japanese puppet, cannot be viewed without serious concern, as the event presages the doom of Mongolia. The paper sounded a warning that the Japanese military authorities would occupy Mongolia as well as Charhar and Suiyuan as the next step, so that in the event of a Russo-Japanese war Japan can easily cut communications between China and Russia.

It Is the Will of Japan That Counts

The London *Daily Telegraph* commented: Manchukuo's destinies will continue to be guided by statesmen in Tokyo, whose longterm policy is shaped solely by Japanese interests. The assumption of an Impeaial title has no international significance, and while the will of heaven is for internal consumption, it is the will of Japan that counts.

An Act of Treason Against the Republic

Wang Ching-wei, Chairman of the Executive Yuan, in an interview, commented: "The assumption of the Imperial title by Henry Pu Yi is another act of high treason against the Chinese Republic. The act had long been heralded, and it is arousing great indignation throughout China. However, as we look at the situation, the status of the Three Eastern Provinces and Jehol is no other than that of illegal military occupation, while Pu Yi and other members of his theatrical troupe are mere puppets controlled by their Masters and have no independent personality. Whether Pu Yi's name be chief executive or emperor, or whether his illegal regime be republican or monarchical, it does not affect in the least the fact that he is a suppet, the changes being mere shifts in the role a puppet play. Looking from this angle, one need not be greatly surprised at all at the farcical comedy that is being enacted at Changchun. China's attitude, has always been the same and will remain so notwithstanding any changes in the appearance of the puppet. The same may be said of the European and American powers, with whom the principle of the non-recognition of Manchukuo has become an iron-clad law in international morality, any deviation from or violation of which will surely reflect on the international personality of the state concerned. By this latest act in Changchun, the gravity of the Far Eastern problem will undoubtedly be further heightened, while internal rivalries and complications in the Far East will be further increased, all pointing to one condition,

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namely, the increasing insecurity of world peace. This is most deplorable, but the world will know where the responsibility lies.

Germany Will Not Recognize Manchukuo

The report that the German Government is planning to recognize "Manchukuo" has been branded as pure rumor by the German Minister to China in a message to the Shanghai Chinese Chamber of Commerce. The German minister cited a cable report from semi-official sources in Berlin published in foreign and Chinese newspapers which denied the rumor. His message was in reply to a query form the local Chamber.

Official circles in Washington Feb. 28 expressed themselves as being indifferent to the enthronement of the Manchu Regent, Pu Yi, as Emperor of Manchukuo. It was asserted that America would adhere to its policy of non-recognition.

Japanese Stage Sham Fight on Eve of Coronation

On the eve of the coronation of Henry Pu Yi as emperor of "Manchukuo," the Japanese marines in Shanghai staged a sham battle on North Szechuen and Kiangwan roads.

Japan and Manchukuo Exchange Official Notes

The exchange of the first official notes between the new monarch and Japan took place March 1 soon after the coronation. In reply to Premier Chen Hsiao-hsu's letter to the Tokyo Foreign Office, through the Japanese Ambassador Gen. Hishikari, announcing the establishment of the new regime under Emperor Kang-teh, Gen. Hishikari, under instructions from the Tokyo Foreign Ministry, expressed his acknowledgement and the hope that relations between the two countries would become closer in future.

Karl Radek on Pu Yi's Enthronement

In an article devoted to Pu Yi's coronation, the Soviet journalist, Karl Radek, writes :—"The last offspring of the Ching dynasty which was crushed like a mushroom under the wheel of the revolution of Chinese people in 1911, advanced to the throne of Manchurian Emperor riding a bullet-proof automobile between lines of Japanese troops. The Japanese imperialist press is honouring the Manchurian Emperor, as the guarantee of peace in Manchuria. It extols the Japanese militarism which, listening to 'the voice of Manchurian people' and to its own monarchical feelings, enriched the world by a new throne, years after the whirlpool of history washed away Hohenzollerns, Habsburgs, and Romanovs—the most powerful dynasties of Europe. But the Manchurian nation is a myth. Nine-tenths of the population of Manchuria are Chinese peasants. The entire population of China and Manchuria went through the fall of the Ching dynasty with perfect calmness, the best evidence of this being the fact of utter absence in China of influential monarchical groups whatsoever. The last offspring of the Ching dynasty was saved by the Japanese military in China, who protected him, transferred him at the moment of danger to the Japanese concession in Tientsin, and from there brought him on board a Japanese torpedo-boat to Manchuria when the hour of Manchurian 'independence' struck."

Answering the question :—"Why the Japanese militarism now erects the throne in Changchun ?" Radek writes : "By creating the throne in Manchuria, and by placing on it the last representative of the Ching dynasty, Japanese militarism is pursuing aims far beyond the limits of Manchuria."

Recalling the history of China, Radek points out that the Manchu dynasty was called to power by General Wu Shan-kwei who, being scared by the revolt of peasants and filled with hatred towards them, appealed to the Manchus, offering them to rule China in return for their assistance against the peasants in revolt. "Japanese militarism is convinced that new Wu Shan-kweis will be found who in face of the new revolutionary upheaval of workers and peasants will prefer to continue Chiang Kai-shek's path to the end. With this in their minds, the Japanese military established the throne, placing on it the last offspring of the Manchu dynasty.

"The seizure of Manchuria," continues Radek, "certainly is not the final aim of the most decisive Japanese imperialists. Nor is it Jehol or Inner Mongolia. All these movements are in the nature of preliminary activities preparing the basis for future advance. Military fascist elements in Japan tremble at the idea of unification of China. A united nation of 400 million people possessing modern means of production and armed with modern defence equipment would change the correlation of forces in the entire world, and in first place would completely change the correlation of forces in Asia. Japanese militarism fears that if China follows the capitalist path, she will rely on United States, while, if she chooses the socialist path, she will rely on the U.S.S.R. Neither of these paths portends any good for those hankering after the domination in Asia.

"A part of the Japanese military desire to cut off from China as much territory, as possible, while others put forward the idea of domination of the Japanese imperialism over united China. They believe that the intensification of class antagonisms in China will force the ruling cliques of Chinese landlords and capitalists to find refuge in Manchuria, under the protection of Japanese bayonets. This would enable the Japanese to start an advance into the Yangtsze region, not under the slogan of annexation, but under that of unification of China under the old 'legitimate' power of the Ching dynasty, behind whose back Japanese imperialism will hide itself, at the same time occupying all most important positions in China. This is the idea underlying the coronation of Pu Yi who, immediately upon ascending the cardboard throne leaning upon Japanese bayonets proclaimed to the world the historical part he is to play. 'Is it not valuable for the entire world, that the so-called Manchukuo will stand between the U.S.S.R. and the Orient, as a stronghold against the penetration of Bolshevism into the Far East ?' declared the new emperor.

"The Japanese military hope that by scaring the imperialist world by the Bolshevik danger they will be laying the path for Japanese expansion in China, and will weaken the resistance of other imperialist powers. The hopes of Pu Yi and of those hiding themsleves behind him are directed not only against the U.S.S.R. ; they represent only a version of the plan of struggle for Japanese hegemony over Asia."

In conclusion Radek points out that China at the present time possesses a young and courageous working class, full of energy, a class who knows how to guide the masses of peasants. "Pu Yi's advisers will be clever if, remaining as "strongholds" in Changchun, they do not attempt to repeat the philosophical deduction of Pu Yi's ancestors, that "Revolts of citizens place nations under the power of real sovereigns," either in the North, or in the South. This would threaten to shatter the throne—and not only that of Pu Yi," concludes Radek.

China to Continue Policy of Non-Recognition

The enthronement of Pu Yi formed the subject of discussion at a secret session of the Legislative Yuan in Nanking March 2. The question was brought up on the motion of Chiao Yi-tang, who declared that in imposing the imperial title upon their puppet, the Japanese were obviously attempting to hoodwink the world and delude the people. The National Government, he said, must take a firm stand in regard to the matter. It is understood that after an animated debate lasting over three hours, it was finally decided to appoint five members to draft recommendations for submission to the Central Political Council. These recommendations will suggest, among other things, that the National Government issue a Manifesto to the world re-asserting the policy of non-recognition : that rigid measures be adopted for the prevention of subversive activities of traitors ; and that the National Government issue a Manifesto to the nation repudiating the puppet organization in Manchuria.

With regard to the coronation of Pu Yi as "emperor" of the puppet state of "Manchukuo," it is learnt that the Nanking Government does not deem it necessary to issue any further statement on its attitude towards the Japanese puppet-show in Manchuria. The press interview given by President (and concurrently Foreign Minister) Wang Ching-wei, in which the policy of non-recognition was affirmed, is deemed sufficient clarification of the Government's stand. Measures for the suppression of Chinese traitors who are acting as tools of the Japanese, it is reported, have been devised by the Central authorities.

A Question of Diplomatic Procedure

A *Chekiai* despatch from Geneva says that European and American foreign offices Europe are exercised over the problem which may arise in the middle of March in Tokyo when, according to a reliable report, a reception will be given by royal command of the Japanese Emperor to the Diplomatic Corps in honor of the recently enthroned emperor of "Manchukuo." The diplomats are extremely unwilling to appear discourteous by not attending. At the same time, they must not do anything that may imply in any way the recognition of the puppet government. It is rumored in Geneva that the diplomats, in order to escape the dilemma, will leave the capital for week-end resorts when the time comes, giving their third secretaries charge of their respective embassies and legations. It was pointed out to the *Chekiai* correspondent that the action of the Chinese Government would be wellnigh decisive on the final attitude of the other diplomats in Tokyo. The hope was expressed that the Chinese Government would issue instructions to the Chinese minister in Tokyo to act in conformity with the policy of non-recognition and to urge the other governments that they are legally obliged to do likewise.

Several questions bearing on the reported forthcoming visit of Emperor Kang Teh of Manchukuo to Tokyo were put to Foreign Secretary Simon, in the House of Commons March 5 by Tom Smith, Labor member, who asked that instructions be sent to the British Ambassador at Tokyo not to attend any function given in honor of the new Emperor when he visits Tokyo shortly. Sir John Simon explained that the obligations undertaken by States adhering to the resolution passed at Geneva on Feb. 24, 1933, affirming the non-recognition of Mancuukuo, would presumably govern their action in the event of the new Emperor visiting Tokyo.

White Russians Send Message to New Emperor

Giving up its intention of sending a delegation to Changchun the white Russian community in Mukden March 2 presented a congratulatory message to the new ruler of the Manchukuo Empire through the city office. The message, among other things, said. "By the accession to the Throne, His Majesty has ignited a new

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light which will serve to light wisdom and Justice for mankind and lead his subjects to the path of glory and happiness and brighten their hearts." The message ended with the expression of sincere wishes for the continued health of the new ruler.

Manchuria and Jehol Still Part of Chinese Republic

Manchuria and Jehol are described as territory embraced by the Chinese Republic, according to article IV of the proposed draft constitution of the Republic. Articles V and VI of the draft constitution provide that Nanking will be the National capital and that the National flag will be red, with a blue sky and white sun in the upper left corner.

Manchukuo Prime Minister to Visit Japan

As soon as Imperial sanction is given, the Prime Minister of Manchukuo, Cheng Hsiao-hsu, will leave Hsinking on an official visit to Japan, probably during the latter part of this month, and travel to Tokyo via Dairen. He is scheduled to return to Hsinking towards the end of April so as to attend the military review in celebration of the enthronement of the Chief Executive.

Emperor Pu Yi's Rescript to His Army and Navy

In his capacity as supreme-in-command of the Army and Navy, Emperor Pu Yi March 5 issued a Rescript to his Army and Navy, the ceremony taking place in the Imperial Palace in the presence of Minister of Defence, Gen. Chang Ching-hui, commanders-in-chief of the provincial garrison, and other important military and naval officers. The Minister of Defence on behalf of the army and navy pledged their faithful services to the Empire.

Japanese Explain that Maneuvers Were in Honor of Departing Commander

A force of more than 800 Japanese troops proceeded on the morning of March 1 (the date of the Pu Yi enthronement) to the Tangkatung and the Chinghai districts where they performed "spring" maneuvers in defiance of protests filed by the Hopei Provincial Government.

The Japanese authorities at Peiping, March 3 stated that the maneuvers carried out along the Tsinpu railway were in no way connected with the enthronement of Henry Pu Yi, but were simply military exercises on a bigger scale than usual. It was explained that the maneuvers were in honor of Lieutenant-General Kotaro Nakamura, commander-in-chief of the Tientsin Japanese Garrison, on the occasion of his leaving for Japan to take over command of the Eighth Division of the Japanese.

It is pointed out in Chinese telegrams that the Japanese military activities not only are a flagrant violation of the stipulations of the Boxer Protocol of 1901, but also constitute a total disregard of Chinese sovereign rights. The Government has instructed the Peiping Branch of the military affairs commission and the Peiping Political Affairs Readjustment Committee to make strong representations to the Japanese military authorities.

Soviet Makes Warlike Preparations in Siberia

According to a foreign military expert who arrived this week in Nanking from Europe by way of Siberia, the Soviet mititary authorities are making feverish warlike preparations in Siberia, presumably in anticipation of an outbreak between Soviet Russia and Japan. According to this informant Soviet Russia has 470,000 regular national troops, 600,000 national guards, and 240,000 volunteers and political police, making a total strength of 1,300,000 men. These troops are being organized into 76 divisons of infantry and 31 divisions of cavalry. All these troops are armed with most up-to-date weapons. Apart from these troops there are the so-called chemical corps and machinery corps. Under these two units are 2,000 tanks and 2,200 airplanes.

For meeting a possible outbreak with Japan the Soviet authorities have marked out Siberia into three lines of defense, with the first line at the Maritime Provinces and the Ussuri regions, the second line in the Amur Area and the third in the Baikal Area. In each area about three or four divisions are being stationed. At Vladivostok 20 airplanes of the largest type are stationed. At Chita the garrison troops have been doubled, while at other places the troops have been tripled.

This foreign military expert averred that the Japanese troops in North Manchuria have also been reinforced. The total number of Japanese infantry forces on the Manchuria-Siberian border is estimated at 110,000 men. New airfields have been constructed along the boundary line and no less than 300 planes are being held ready at these airfields for immediate service. The stage is believed to have already been set for a war between the Powers in Siberia.

When the Russians Called the Japanese Bluff

The Peiping *Morning Post* comments:—"Since the Japanese occupation of Manchuria not only has the buffer area between Japan and Russia been removed but the points of conflict between the two countries have been further aggaravated. One of the most fruitful sources of controversy is undoubtedly the Chinese Eastern Railway. There is no question that Japan is responsible for the tension of the last two years. If Japan had not seized North Manchuria, or if Japan were not plotting against Russian Siberia, Russia would not think of going to war with Japan. This may be shown by the fact that before the Mukden outbreak of September 18, 1921, Russia had no adequate military forces in Siberia.

"When Japanese troops advanced on Harbin in the summer of 1932 there were many Japanese military leaders who feared that this would result in a collision with Soviet Russia. Thanks to the forebearance of the Soviet authorities this fear failed to materialize. The Japanese, however, interpeted it as a sign of weakness on the part of the Soviets and urged the Government to adopt a forward policy against Moscow. Then followed increasing pressure exerted on the Soviet officials of the Chinese Eastern Railway by the Manchukuo officials and the organization of White guards in Manchuria at Japanese instigation. Knowing that she was not in a position to contest the might of the Japanese arms, Russia offered to sell the C.E.R. to Manchukuo. With the railway already secure in her hands Japan wanted to have her own terms at the C.E.R. conference. The conference dragged on for several months but no agreement was possible owing to the obstructionist tactics of the Japanese. Realizing the intrigues of the Japanese, the Soviet issued a statement during the most critical stage in the negotiations over the C.E.R., exposing the designs of the Japanese to seize the railway. This immediately resulted in the suspension of the negotiations, which probably was desired by both sides. When Soviet Russia suddenly stiffened her attitude towards Japan some of the more farsighted leaders in Japan were seriously perturbed and advocated a more moderate policy towards Moscow. The appointment of Mr. Hirota as Foreign Minister in succession to Count Uchida represented the first indication of this change. When Mr. Hirota spoke of a diplomatic victory without resort to arms he meant that Japan could find a way out in her strained relations with the United States and Russia without an armed conflict. It is true that neither America nor Soviet Russia is willing to fight Japan. On the other hand Japan is not absolutely sure of victory in the event of war. Even if she could emerge victorious, it is doubtful whether the result is worth the price paid in the light of the lesson of the last World War. Hence, since the advent of Mr. Hirota to the Foreign Office the Saito Government has been bending its efforts in the direction of conciliation with Soviet Russia. In the House of Peers early in February Mr. Yoshizawa, former Foreign Minister, urged the necessity of conciliating Soviet Russia. Both Premier Saito and Mr. Hirota endorsed this sentiment. Judging from present indications Japan will maintain a strong attitude towards China, while doing everything possible to reach an accommodation with America and Soviet Russia."

Moscow Journal Denies Presence of Troops in Mongolia

Commenting upon reports in the Japanese newspaper *Asahi* that a "certain institution" has received information that the Soviet Union is allegedly increasing its forces in Mongolia, at present reaching 30,000, in number, which is "compelling the Japanese Army to follow events most attentively," *Moscow Izvestia* March 3 commented: "This information fabricated by a 'certain institution' certainly beats all others in the way of provocative lies. The Japanese Army, occupying the whole of Manchuria and a good half of Inner Mongolia, is now forced, it appears, to 'follow events most attentively' in the Mongolian People's Republic. The *Asahi* will, no doubt, soon inform the world of the presence in the Mongolian People's Republic of at least 100,000 Soviet troops.

"It is sufficient to confront these shameless liars of Tokyo, these slanderers of the Soviet Union, with the indisputable and well-known fact that not a single foreign soldier can be found today on the territory of the Mongolian People's Republic. The *Asahi* information was certainly dictated not merely by an ardent imagination, but by the ardent desire of certain Japanese circles to lay hands not only upon Inner but also upon Outer Mongolia. It is a new and eloquent confirmation of the preparations and the development of these adventurist plans for seizure."

"Izvestia" on the Division of the Pacific

In an article entitled "The Division of the Seas or the Division of the World," noting that the Japanese press at the present moment is paying great attention to Japanese-American relations and trying to prove that these relations contain no elements capable of leading to real aggravation, Moscow *Izvestia* March 2 commented:

"From time to time the Japanese press lets out trial balloons, to ascertain whether a deal is really possible with American Imperialism. As a basis for such tests there is the idea of the division of the seas,—i. e. the division of the Pacific into two parts, the western to belong to Japan and the eastern to the United States. This idea constitutes a proposal

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for the division not only of the seas, but of the world. Japan wishes to abandon her dumping in South and Central America in exchange for America's abandoning her attempts to seize China economically, and strengthening China's position against Japan. It is rather doubtful whether the United States is prepared to conduct any negotiations on the ground of such proposals. China alone constitutes a hundred times greater possibilities for profit than the whole of South America taken together."

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Soviets Admit That Real Bullets Are Used as "Warnings"

Sub-Lieutenant Matsui, who is receiving medical attention in the Military Hospital in Harbin for the wounds which he received when he was subjected to rifle fire from Soviet guards, while flying over the lower reaches of the Sungari river on February 22, stated that in order to keep in touch with certain quarters, he piloted his machine along the Amur river, keeping at an altitude of 50 meters on February 23, but he was suddenly subjected to a fusilade of machine gun and anti-aircraft gun fires, and received a serious wound, one of the bullets going through his left lung. He absolutely denied having penetrated into Soviet territory.

Mr. Ohta, Japanese Ambassador to Moscow, reported to Tokyo that on March 2 he was in receipt of a verbal reply from M. Sokolnikoff, Acting People's Commissar for Foreign Affairs, the gist of which was that Soviet troops had fired at the Japanese airplanes for the purpose of giving warnings to them, as they had been flying within the Soviet border. In reply to Mr. Ohta's comment that the Japanese planes had never crossed the Soviet border and that firing blank ammunition would be sufficient as warning M. Sokolnikoff is said to have replied that, along the boundary region in Siberia, there are occasions when Soviet troops fire ball-cartridges for warning purposes.

In confirming the reports that Japanese army planes which were engaged in anti-bandit drives on the border areas of Manchukuo were on a number of occasions fired on by Soviet frontier guards, a spokesman of the Tokyo War Office Mar. 1 expressed regret that Soviet Russia should permit her troops to indulge in such unreasonable attack upon planes flying beyond her territory.

London "Times" Correspondent Says Russo-Japanese War Not Inevitable

The Tokyo correspondent of the *London Times* March 5 wired that despite the increase of Russian armies in the Far East, experienced foreign and Japanese observers do not believe that a war between Russia and Japan is inevitable, as Japan has no intention of attacking and Russia cannot attack, he says. East Siberia is not worth a war, and Mr. Hirota, Japanese Foreign Minister, is steadily conciliatory and ready to settle outstanding questions. The correspondent points out that these contain more serious matters than the Chinese Eastern Railway, notably the armaments and air fleet at Vladivostok, which, he declares, would be able to destroy the chief Japanese cities within a few hours.

London "Daily Herald" Warns England of Soviet's Strength

In her war plans against the Soviets, Japan is depending upon Germany to create a military diversion in the East and upon England for loans and munitions, writes the *London Daily Herald*, Labor organ, in an article chiefly devoted to a pen picture of General Bluecher. "It is wrong for Britain to underestimate the military strength of Russia," the article proceeds, spreading out to broader questions. "We must understand that a new and much more formidable Russia has been born since the Russo-Japanese tension began growing. Japan is counting on Germany and England, on the former to create a diversion and on us for munitions and loans. If we declare clearly that a power placed outside the pale of the law by the League of Nations for having violated the Covenant and the Pact of Paris is quite mistaken if she expects a single gun or a single penny from us, we would be doing a great work in the case of peace."

Big Oil Refinery Completed at Habarovsk

The construction of the big oil refinery at Habarovsk has been completed,—the first refinery in said area. The plant will work with oil from Sanghalien. It is designed for an initial capacity of 200,000 tons of oil yearly, which is to be doubled later.

London Daily Newspapers Call Halt in Premium Contests

After fighting for circulation for the sake of circulation, offering as premiums, tea-sets, encyclopedias, Bibles and what not, the London daily newspapers, particularly the *Express*, *Herald*, *News-Chronicle* and *Daily Mail*, have called a halt, and decided that such methods do not pay. The *Express* and *Herald* claimed, for a time, over two million subscribers each. The *Times* and *Daily Telegraph* did not engage in the premium contest.

Manchukuo to Invade North China?

A Nanking telegram to the *Sin Wen Pao* March 5 stated that according to secret information from Peiping, the Manchukuo authorities have definitely decided to start an invasion of North China in the near future. According to the tentative plans reached the Manchukuo Government will first win over the support of the Mongol Princes by appointiug them to high posts in the Manchukuo Government with titles as Dukes, Viscounts, Princes, Barons and Counts. As soon as they have won over Inner Mongolia, for which work one year is allowed, troops will be sent for the complete occupation of Mongolia. When that step is accomplished an invasion will be made of North China. The Manchukuo authorities are planning to convert the region north of the Yellow River into Manchukuo territory within a period of two years, it is stated.

Japanese-French Joint Investments Agreement Is Informally Ratified

Having obtained the approval of the Ministries of Foreign Affairs and Overseas on the project for the establishment of the Japanese-French joint investment in Manchuria, informal ratifications on the draft agreement between Mr. Obuchi, Director of S.M.R., and M. d'Olivier, representative of the Association of French Economic Expansion, were exchanged in the S.M.R.'s branch office in Tokyo March 3. M. d'Olivier later left Dairen with the documents enroute to Paris, by way of Siberia.

A *Havas* telegram from Paris March 6 stated that French diplomatic quarters do not seem to be under the impression that the French Government is willing to support the interests represented by M. d'Olivier in Manchuria, nor to give even a moral guarantee for the French capital that might be invested in the enterprise.

Japanese Military Movements in Eastern Chahar

A recent message from Peiping stated that the 8th Infantry Division of the Japanese Army, which had been stationed in eastern Chahar, has been replaced by the 7th Infantry Division. These troops are putting up anti-Chinese placards on the walls of Chinese cities on the Chahar-Jehol border. The Chahar authorities are busily engaged in drawing up plans for the defence of eastern Chahar in case of emergency. As a precaution against possible activities on the part of Manchukuo agents in the Luantung district, martial law has been declared in that region by the Chinese military authorities.

Japanese M. P. Asks for More Air Defenses in Manchuria

A demand that the aerial defense of Manchukuo be strengthened was made by Baron Asada, leading member of the Kosekai Party, during a speech in the Upper House of the Diet March 3. Baron Asada declared that the principal cities of Manchukuo could easily be destroyed at the present time by an attack of enemy aircraft in the event of war. He said that Japanese cities were also without the proper defense against bombardment from the air. He said that the Japanese Government should encourage the development of civil aviation in Manchukuo because he considered that the aerial defense of that country was not only the duty of the Army but of the entire nation as well.

Dairen to Raise Yen 600,000 in Drive for Air Defense

The sum of 600,000 Yen is to be raised by popular subscription by June 1 for the air defense of Dairen and Port Arthur. Military and civil leaders are sponsoring the carmpaign as a part of the general aerial manuevers to be held in Dairen on June 21. It is estimated that a complete system of defense of Dairen and Port Arthur against raiding airplanes would cost approximately Yen 3,000,000.

Disadvantages to European Countries Who Do Not Recognize Manchukuo

Tsuneo Matsudaira, Japanese Ambassador in London, recently declared that European countries are experiencing considerable inconvenience because of the fact they refuse to recognize Manchukuo

This is particularly true in the matter of postage rates and deliveries, he stated. A committee of the League of Nations will convene in Geneva on May 14 to consider what steps should be taken to alleviate the existing embarrassing situation and some definite policy may be decided then, according to Mr. Matsudaira. Postal relations between Manchukuo and nations which have not recognized that country will be discussed and a future course of action determined, it was stated.

Japanese Consolidate Manchurian and Korean Railway Position

As the result of a conference of representatives of the South Manchuria Railway Company and the management of the North Korean Railway and the Manchukuo State Railway at Dairen last week a new agreement was reached regarding rates for freights on the three railway systems. The agreement goes into effect as from May 1 of this year. According to terms of the agreement

the S.M.R. will lower the rates for carload shipments by 25 sen per ton.

Manchukuo Refuses to Return Shanhaikwan Telegraph Office

The Manchukuo authories have declined to turn over the Chinese telegraph office at Shanhaikwan, which office has been a Manchukuo telegraph office ever since the Japanese occupation of the city. The representations made by the Chinese authorities have so far proved fruitless. The Japanese authorities at Shanhaikwan have suggested that the Chinese telegraph office at Shanhaikwan should be housed in the same building as the Manchukuo office, but this suggestion has been rejected, according to the Tientsin correspondent of the *China Times*.

Canton Asks Nanking to Launch Punitive Expedition

The Kuomintang and the Chungshan University in Canton have sent a joint telegram to the Nanking Government urging them to launch an attack on the so-called state of Manchukuo. Ths telegram states that Manchukuo is a protectorate of Japan and that her establishment means the extension of Japanese power over North China; hence, the Nanking Government must launch a punitive expedition against her in order to save China.

Foreign Import Tariff Imposed on Goods from Manchuria

The *China Times* says that by order of the Ministry of Finance the Chinese Maritime Customs March 1 began to impose import duties on goods coming in from Manchuria. These commodities will be subject to similar tariffs as foreign goods.

Manchukuo Enforces New Tariff Schedule

The *Chun Pao* says that beginning March, the new tariff schedule of Manchukuo came into force. The Manchukuo Government has established customs offices at Lengkou, Chiehlinkou, Yiyuankou, Malangyu and several other Great Wall passes to collect import tax on all Chinese products destined for Manchuria. The new Manchukuo tariff is double the present tariff rates in force in China.

Manchukuo as a Field for Foreign Investors

Using the reported success of M. d'Olivier in reaching agreement with the South Manchuria Railway Co., concerning the establishment of a France-Japanese consortium for the development of Manchuria, as a text, a Japanese Embassy spokesman in Hsinking Mar. 6 delivered a homily to the effect that Manchukuo welcomes foreign capital interests in the economic development of the New State.

Manchuria to Import Formosan Tea, Ousts Foochow Product

The Dairen Kisen Kaisha, now running a service between Dairen and Shanghai, intends, starting next month to extend its service to Formosa so as to take away from Foochow and Amoy the several million dollar tea trade which those ports have with Manchuria, substituing therefore Formosan green tea. Manchuria imports from China annually about eight million dollars worth of tea, much of which later goes to Russia.

Manchukuo Has More Imports Than Exports

The feature of Manchukuo's 1933 foreign trade was an excess of imports over exports of $66,670,000, according to an announcement by the Department of Finance in Changchun. Exports last year amounted to $448,000,000, representing a drop of $168,130,000, and imports totalled $514,680,000 an increase of $213,610,000 over the total for 1932.

The adverse trade balance was due, according to the Department of Finance, to the sudden increase in the importation of building materials and to the fall in the price of Manchurian staples which comprise the chief exports.

C. E. R. Railway Is Profitable Despite "Scorpions"

Moscow *Pravada* comments: — According to preliminary returns, the income of the C.E.R. during 1933 amounted to over 30,000,000 gold roubles, expenditure to over 18,000,000, leaving a margin of more than 11,500,000 gold roubles. This, occurred at the time when measures were being taken in Manchuria to dislocate the normal exploitation of the Chinese Eastern Railway, to break down and disorganize its financial position, in order to "prove" its "unprofitableness" and the "decline in its economic value." It is no fault of the railway that its profits are mostly consumed by Manchurian Government institutions. Has any one of the newly constructed railways in Manchuria an income comparable with that of the Chinese Eastern Railway? The Kwantung Army Headquarters did not expect such results from the operations of the Chinese Eastern Railway, and the Japanese-Manchurian machinery had started working with great activity, inventing new methods of disorganizing the C.E.R. At the beginning of 1934, a new series of scorpions came down on the railway, such as the introduction of various restrictions on the reloading of freights from the C.E.R. to the Ussuri and the South Manchurian Railways, forcing the railway to work only in the day-time and limiting this to six hours daily, urging a boycott of the C.E.R., threatening consignors, etc. The result of the exploitation of the C.E.R. in 1933, however, brilliantly proved that the reality falsified the calculations of the Japanese-Manchurian organizers and instigators of the disorganization of the railway.

Japanese Promise to Pay Troop Transportation

The Japanese Command claims that it has on various dates paid amounts aggregating Yen 2,300,000 to the Chinese Eastern Railway for the transportation of troops and military supplies during the Manchurian incident. Colonel Komatsubara, Chief of the Special Military Mission of the Kwantung Army, in a press interview Feb. 26 stated that as soon as the present negotiations for a special tariff applicable to military supplies and troops are concluded, the balance would be paid.

Marshal Chang Hsueh-Liang Sworn in at Wuchang

(From the Review's Correspondent at Hankow)

Marshal Chang Hsueh-liang on March first was sworn in as Deputy Commander-in Chief of the Bandit Suppression Forces for Honan, Hupeh, and Anhui Provinces at the Commander-in-Chief's headquarters in Wuchang, across the river from Hankow the Young Marshal will, however, use the Bankers' Association premises as a Hankow residence, at least temporarily. All high government officials in the Wuhan area attended the inauguration.

General Chang Chun, governor of Hupeh, on behalf of the central government, officiated at the installation of the Young Marshal. He paid a tribute to Marshal Chang and stressed the necessity of completely eradicating the communists and other bandits from the Central China area. After the induction ceremonies, the new Deputy Commander-in-Chief dispatched circular telegrams to all Chinese organizations in this district, avowing his intention of doing his duty conscientiously.

Ever since the coming of the Marshal there has been a steady stream of military and civil visitors interviewing him. Most of his former Manchurian generals have been here, the latest to arrive were General Wang I-che, Commander of the 67th Army, and Mr. Shen Hung-lieh, mayor of Tsingtao. It is rumored that the troops of General Ho Chu-kuo will be transported to Hupeh from Hopei to engage in bandit suppression work.

From an official close to the Young Marshal we learn that he is not contemplating going north to Honan, nor is he planning on taking over the governorship of Honan is place of General Liu Chih. It is his intention to proceed to Nanchang to confer with Generalisssimo Chiang Kai-shek, after he has conferred with the various subordinate officials in his new domain.

Troop Movements Down River from Hankow

Steamers loaded with soldiers are leaving port for some down river destination. Presumably they are heading for Kiukiang, and will be used to swell the ranks of those fighting the Reds in that sector.

Reds Again Active in Szechuen

On the 15th of February General Wang Fang-chou lost ca. 5000 men in an engagement with the Reds between Tahsien and Hsuan-had on the eastern front. On the western front also the government troops were forced to beat a retreat and the forces under General Tien Sung-yao were hard pressed.

From independent sources we hear that the government forces have been quarrelling among themselves and in one instance two "t'uan" deserted to the Reds. Having had opportunity to consolidate their position, the Reds are fully as strong as before. With the hope of additional recruits from the dissatisfied troops under General Liu Kwei-tang, who has rebelled against the government, the Reds would form a more formidable foe than last year. Rumor has it that Liu Kwei-tang's men are hoping to effect a union with the Reds at Hanchung, southern Shensi. The Reds are reported to have dug a seven mile tunnel connecting Szechuan with southern Shensi, thus aiding communications with the north and northwest. No verification of this can be obtained.

Chiang Spikes Rumors of Dictatorship

Generalissimo Chiang Kai-shek in emphatic language denied that he was contemplating assuming the role of a dictator in China after the fashion of Mussolini or Hitler.

The government reports that the troops under Chiang Kai-shek have the Red situation in Kiangsi well in hand.

Hankow March 5, 1934.

Narcotics in China---A Billion Dollar Problem

THE fact is probably not generally realized that the narcotic trade in China represents in its totality something like a thousand million dollars. The opium smoking problem as such in China has been intensified by the introduction of morphine and cocaine. As early as 1909, the First Opium Conference, held in Shanghai, fully recognized the gravity of the fact that tons of morphine and cocaine were introduced into China every year, for the purpose of making addicts amongst a people who had never even heard of morphine before. In the view of the Hague Opium Convention, established by the Hague Opium Conference in 1912, the dangers arising from addiction to morphine, heroin and cocaine are greater than the dangers arising from smoking opium. China, voluntarily, made an effort to suppress the poppy production and opium smoking in her territory, during the years 1907 to 1917, with the result that she rid herself of opium production. The smoking of opium was, however, in a large part of the vast territory, replaced by the more dangerous morphine imported from abroad. According to the Anti-Opium Information Bureau at Geneva a flood of morphine which, in 1918, for instance, is alleged to have amounted to some 17 to 20 tons per annum, was poured into Manchuria and Northern China through the Leased Territory of Kwantung.

The narcotic drugs traffic is one of the striking features of the Manchurian situation. Koreans and Japanese are carrying on this traffic in Manchuria and, particularly, in the South Manchurian area, with what is claimed to be "the sympathy or connivance of the Japanese authorities." Among the memoranda presented to the Lytton Commission by V. K. Wellington Koo, Assessor to the Commission, the "Memorandum on the Sale and Smuggling of Narcotic Drugs in China by Japanese Subjects and Firms" removes any doubt concerning the gravity of the situation and the need for immediate and comprehensive action by the Chinese Government. Manchuria is not the only part of China which is being flooded with morphine, and the Japanese are not the only ones engaged in this body-and-soul-destroying traffic. Every phase of the international attempt to solve the opium problem, contains overwhelming evidence that China has been, and is, the special prey of the foreign drug manufacturer, the victim of the foreign durg trafficker.

China's pleas for protection against this systematic and continuous poisoning of her people, has fallen on deaf ears. L. A. Lyall, former Commissioner of Chinese Customs, and at present Chairman of the Permanent Central Opium Board, at Geneva, and Assessor to the League's Advisory Committee on Traffic in Opium and Other Dangerous Drugs, stated before this Committee that "there was not the slightest doubt that China was being flooded with morphine; that every ounce of morphine that was smuggled into China came from Europe and Japan." In the course of the discussion regarding the case of illicit trafficking by the Naarden Chemical Factory—a firm which had exported to China, directly or indirectly, in one year alone, 1,380 pounds of morphine and 3,340 pounds of heroin, Mr. Lyall stated that conditions depicted in the Dutch government's document were appalling, and Mr. Lyall felt no surprise that the Chinese Government should desire that, when it was asked for explanations of the flood of opium passing from China to the foreign colonies of the Western Powers in the Far East, this much more poisonous flood of heroin from Europe to China should also be taken into account. He even agreed with Mr. Vasconcellos that, so long as that flood of heroin continued it was dangerous for the Chinese Government suddenly to suppress the smoking of opium, which afforded to a certain extent a protection against the much more dangerous abuse of herion and morphine.

The records of the League of Nations prove that, ever since western science discovered morphine, heroin and cocaine, China has been made the victim of foreign drug traffickers. These records also show that—despite 13 years of uninterrupted international efforts—drugs continue to be manufactured in unlimited quantities, and that unlimited quantities are being annually poured into China.

In addition, there is ample evidence in the Chinese Press of the discovery of factories for the manufacture of opium derivatives, and the recent trials in the Shanghai Courts leave no doubt as to the existence of such illicit factories. Seizures have been effected in Shanghai of morphine of obviously native manufacture.

H. G. W. Woodhead in his publication, "The Truth about Opium in China" states, amongst other things: "It is rather surprising to learn of the existence of about 100 morphia factories in the region of Chungking. They are also reported to exist in the Wanhsien region and at Amoy."

A report by the Anti-Opium Information Bureau at Geneva poinst out that foreign Concessions, Settlements, and Leased Territories in China have harbored, and continue to harbor, persons who exploit China from those relatively safe places. The gravity of the situation has, finally, after 13 years, led the League of Nations to call for Annual Reports concerning the opium and drugs situation in the Foreign Concessions and Foreign Settlements in China. To the pipe has been added the injection and the pill; to clandestine imports has been added clandestine manufacture. The illicit trafficker's profits reach colossal figures annually. Not only the drugs, but the money made from their illicit sale, corrupt the people. The illicit trrffic has become a real problem to the administrators of the Chinese Customs Service; it makes use of the Postal Service, to reach the uttermost corners of the country. Narcotics spare nobody, and nobody is immune. In China, as elsewhere, their power of destruction is the same, on rich and poor, on civil and military, on the intellectual as on the illiterate.

Russian Princess Awarded £25,000 for Libel in "Rasputin" Film

Princess Irena Youssoupoff brought suit in the London Courts last week against the Metro-Goldwyn-Mayers Pictures, Ltd. for libel charging that the film, "Rasputin, the Mad Monk," contained a character, "Princess Natasha," of which she was the evident original. The principal witness for the plaintiff was her husband, Prince Yousopoff, who described Rasputin's alleged self-confessed association with Germany and his aspirations to become lord or tyrant of Russia. He recounted how Rasputin was lured to the cellar in his (Youssoupoff's) palace where he was regaled with poisoned cakes and wine, of which he partook heartily. The poisoned cakes and wine appeared to have no effect; a man named Puriskevitch fired three times at Rasputin, who despite his wounds, still lived; Prince Youssoupoff then battered him to death with a loaded stick.

Called for the defense, Commander Locker-Lampson, asserted that he had been invited to participate in the murder of the Russian monk Rasputin. The British M.P., in giving evidence, said that he became acquainted with the man Purishkevitch, who aided Prince Youssoupoff to murder Rasputin, when he was in St. Petersburg as leader of the British Armored Car Squadron during the Great War. He had been asked to assist in the murder of the monk but had refused.

The jury March 5 awarded damages of £25,000 sterling to plaintiff.

General Chiang Prohibits Opium Smoking

General Chiang Kai-shek has issued a circular telegram prohibiting opium smoking throughout the country. Gambling is also prohibited by the Generalissimo.

Bomb Throwing Incident Mars Japanese Shrine Celebration

The memorial services for the Japanese who fell in the Shanghai fighting in 1932, which were being held at the Shinto Shrine, near the new Japanese barracks in Kiangwan road, on the north side of Shanghai, on the forenoon of March 5, were interrupted by a bomb-throwing incident, recalling the Hongkew Park incident, when on April 29, 1932, a number of high Japanese officials were seriously injured (two of whom succumbed) by a bomb which exploded under the speakers' platform. On this occasion, the bomb failed to explode and the most serious thing to happen was the resulting excitement. The celebrations were attended mostly by Japanese officials, military and naval men, among them A. Ariyoshi, Japanese Minister to China and Vice-Admiral Imamura. The bomb thrown had been made from an old-fashioned large flashlight and when examined was found to contain 860 grams of gunpowder. The bomb dropped harmlessly into the compound of the shrine. The evident perpetrator was a Korean employed in a Japanese garage in the vicinity. He wore a chauffeur's uniform and the police on duty little suspected that he was on the scene for an ulterior purpose—they took him for a chauffeur in the employ of one of the Japanese officials. The miscreant threw his bomb, ran, and escaped in the crowd. He dropped a hat which bore the name of the Japanese garage, where it was learned he occupied quarters. A search of his room revealed several empty cartridge shells and several papers identifying him with the Korean Independence Party.

The ceremony was held to console the spirits of the Japanese war dead in accordance with Shinto rites. Banners presented to the shrine by Prince Kan-In, chief of the General Staff office and Prince Fushimi, chief of the Naval General Staff, were displayed at the shrine. The memorial service was begun with a purification ceremony and was followed by the opening of the shrine door, while the congregation standing at attention, paid homage to the spirits of the soldiers with bowed heads.

Swords Are "Steel-Bibles" to the Doughty Japanese

According to an article in the Feb. 26 issue of the daily bulletin issued from the Japanese military headquarters in Tientsin, the Japanese regard their old swords with a mysterious reverence to such an extent that the Japanese sword is looked upon as a "steel-bible." The bulletin said that only a Japanese could fully understand this feeling of reverence for swords which have been used in the service of the Imperial Empire. It also was claimed that the art of sword making in Japan has been developed to a higher point of excellence than in other countries. Recently when Gen. Hayashi was appointed Minister of War in succession to Gen. Sadao Araki, the newspapermen asked him regarding his favorite recreation. Gen. Hayashi replied, "Collecting swords."

Diet Member Says Japanese Official Guide Contains Many Errors

The Official Guide to Japan, published and distributed this year by the Bureau of Tourist Industry of the Railway Ministry, was sharply critized by one Nakamura, Lower House member, recently on the score that it contains numerous errors. He proceeded to mention some of them. He said the burial place of Lafcadio Hearn was wrongly given, that various dates mentioned were not in accord with history; that certain religious matters were improperly described. He said the book was a "national disgrace," and although he admitted the foreign comment was favorable, it must have been based on the binding or other unimportant aspects. Nakamura made his criticisms in the course of investigations into the Communications budget. His questions on the amount of money spent on the book went unanswered.

"Can" the Professors, Hire Chinese Says Will Rogers

Beverly Hills, Calif., Feb. 4.—Now that the principa thing to gamble in is money you watch the Chinamen entering into your brokerage offices.

No people in the world can gamble on money exchange like a Chinaman—the quickest figurers in their heads of anybody. That money market in Shanghai makes the New York stock market look like a wake. And not a pencil in the house.

I here and now suggest to Mr. Morgenthau, our Treasurer, that he not monkey with a Princeton or Harvard professor when he starts out with that two billion to stabilize with. Can all those professors and get a Chinaman.

Yours, WILL ROGERS.

—Will Rogers Syndicated Service

National Flood Relief Commission Issues Report of Operations

The National Flood Relief Commission of which T. V. Soong is chairman, has issued a 300-page report on the activities of the Commission for 1931-1932. Starting with a description of the flood of 1931, together with an explanation of its causes, the Report describes the creation and organization of the Commission, the financial arrangements, the wheat purchase negotiations, the Italian indemnity remission the issue of flood relief funds, and other activities incidental to providing relief to the sufferers from the greatest flood in the history of China in the course of which 140,000 persons were drowned and many more lost their lives through other causes directly attributable to the flood.

A few figures selected at random will serve to illustrate the vast scale of the Commission's operations. Relief work extended to 269 *hsiens*. Free relief was granted to just under 5,000,000 persons, and 1,000,000 were relieved in camps. In addition, the Commission distributed more than 500,000 suits of winter clothing and more than 2,500,000 of the needy and sick refugees received medical attention. Advances for farm rehabiliation were granted to 360,000 farmers. Some 2,800,000 were employed on labor projects. Thus, including the families of these laborers, a total of 10,000,000 relieved by the Commission is certainly a conservative figure. The amount of earthwork done by this army of laborers would have built a dyke two meters high and two meters thick, long enough to encircle the earth at the equator. In carrying out this work the Commission had to overcome all manner of difficulties. A huge organization, involving at the height of operations an administrative staff of 7,000, had to be created and set going immediately. Labor had to be recruited and rapidly trained to unaccustomed tasks. Care had to be taken to avoid wastage and duplication in the distribution of wheat, information had to be collected and operations conducted by an improvised staff. Opposition from local property owners had to be overcome. Workers had to be protected against Communists and bandits. All these difficulties, however, as Mr. Soong points out in a foreword, were successfully met and even the hostilities in Manchuria and Shanghai, which broke out during the most intensive part of the work, did not prevent the Commission from carrying on as usual.

N. C. Daily News' China Hong List, 1934, Appears

The China Hong List for 1934, published by the North China Daily News & Herald, Ltd., made its appearance during the week in its standard form, bound in bright red. It is a volume of 856 pages listing in its Shanghai Who's more than 14,000 names and in the Outports Who's Who more than 7,000 names—with few exceptions, foreigners. The main feature of the China Hong List is the business directory of Shanghai. In addition there is a business directory of about 50 outports. The Shanghai section contains all firms, institutions, missions, consulates, etc. in Shanghai, with staffs arranged alphabetically. Streets are listed in English and Chinese with all residents, listed according to street numbers. In the Residential Directory, residents are once more listed alphabetically. Shipping, railways and missions all receive adequate attention. The China Hong List sells for $10.00 (with map, $11).

The Dollar Directory

The Dollar Directory (which as its name implies is sold for a dollar) was reviewed in the *N. C. D. News* in a rather unflattering manner. The *N. C. D. News* said, among other things: "The compilers' claim that the Shanghai Dollar Directory is a 'volume of priceless information,' is correct. With his hand on his heart, and a graceful bow to its editor the writer wishes to state his complete agreement with that sentiment. It is "priceless" and also *in*valuable!" The *N.C.D.N.* alleged that under the letter "A" the Dollar Directory listed 54 names and addresses exactly as they appeared in the July Hong List, all of which have changed since that publication was issued, and while the editor of the *Hong List* has removed from this section 59 names which appeared in July, as untraceable, the Dollar Directory, still includes them.

The Mercury Press, publishers of the Dollar Directory, in a "come back" pointed out numerous errors and omissions in the Hong List, incidentally publishing an announcement that their entire January edition had been sold out.

The *N. C. D. N.* has been publishing directories for half a century. In recent years various competitors have come into the field, the first being "Rosenstocks" (now taken over by Millington, Ltd.) and later the Comacrib Dircetory, published by the Commercial and Credit Information Bureau. Rosenstock's Business Directory has been merged with the Credits Men's Business Directory of China, of which the publishers are the Banker's Cooperative Credit Service, Ltd., Millington's being the sole distributors.

Why the "Rajah" of Borneo Attended the Singapore Naval Conference

Among the prominent participants in the Admiral's conference in Singapore recently was "Rajah" Brooke, concerning whom *Time* (Feb. 5) gives some interesting historical details. A little more than 100 years ago Jamie Brooke of Coombe Grove, England, sailed off to work for the East India Co. When his wealthy father died Jamie bought what he called a yacht, stocked it with arms and set off pirateering for Borneo. He ended up as the Rajah of Sarawak in Borneo, after practising ruthless extortion on the natives of Sarawak after obtaining it from the Sultan of Borneo by violence, trickery and threats. Even today the discreet British *Statesman's Year Book* is obliged to list opium, gambling and arrack (strong spirits) as leading sources of revenue of the House of Brooks, Sarawak. The present Rajah is Sir Charles Vyner Brooke who boasts in the British *Who's Who* that he has "led several expeditions into the far interior of the country to punish head hunters" and "understands the management of natives." The Rajah "horned" in on the Singapore Conference of Admirals. The last Admirals' conference in British Eastern Waters was 13 years ago. Host in Singapore harbor aboard his flagship cruiser *Kent* was a rare and racy Tipperary blooded quarter decker, Admiral Sir Frederic Charles Dreyer. New Zealand, whose Navy consists principally of the cruisers *Dunedin* and *Diomede* (loaned free of charge by the Imperial Government) sent to the Conference her modest Rear-Admiral Watson. Australia, which has bought and paid for such fine new war boats as the 10,000 ton cruisers *Canbeera* (Flagship) and possesses also the older and smaller cruisers *Adelaide* and *Brisbane*, sent from Sydney the seaplane carrier *Albatross* and five destroyers. His Highness, the London-born while Rajah of Sarawak, was received by the admirals aboard the *Kent* with royal honors. He obviously wanted to chat about what would happen should Japan try to seize the predominantly Dutch Island of Borneo, which also contains the territories of British North Borneo and Sarawak. To Japanese the status of Sarawak might be hard to explain. They might consider it fair game since Sarawak is officially "an independent State," might not attach sufficient importance to the fact that Sarawak is also officially under the protection of Great Britain. This tie is not weakened by the fact that Rajah Brooke's wife is a daughter of the late Viscount Esher, his daughter is the wife of British Shipping Tycoon Lord Inchcape and his brother and heir, Major Bertram Brooke is wedded to the one time Gladys Palmer (Huntley and Palmers' biscuits), who enjoys the distinction among Mohammedans of possessing the tunic of The Prophet, valued by her at $1,750,000. On the highly local question of Borneo, directly opposite Singapore at a distance of 350 miles, it was impossible for a British or Dutch officer in active service to express himself publicly last week. What can be said was very well said at The Hague by Queen Wilhelmina's one-time Commander-in-Chief of the Netherlands East Indies (including Borneo) defense forces, Lieut.-General Gerth van Wyk. "Only the cooperation of Great Britain, the United States, France and the Netherlands will suffice to check the Japanese, whose strategy, is to fight their adversaries separately. In case of war between Japan and the United States alone I consider that the odds favor Japan to be the victor."

Japanese Charge that China Is "Buying" Athletes

Charges of professionalism against China in connection with the recruiting of Manchurian "stars" were made by Mr. Kubota and Mr. Mogi of the Manchukuo Athletic Association when they returned to Japan Feb. 22 to campaign for Manchukuo's participation in the Far Eastern Olympic Games to be held in Manila next May. It wat alleged that Fen, the Manchukuo pole vaulter who established an impressive record by leaping 3.80 meters in the contest with Waseda University last summer, has joined the Chinese athletic team. Yui Chi-yi, leading distance runner of Manchuria, was offered money to join the team, according to the charges, but refused. Nothing has been heard in Manchukuo since last fall of Hsia, an outstanding Manchurian figure in field events, and the Japanese are suspicions he has joined the Chinese. The Athletic Association of Japan has sent a protest to the Athletic Association of China against the latter's rejection of Manchukuo's participation in the Olympiad. The communication was in the form of a resolution adopted by the board of directors of the Japanese organization. At the same time the Japanese Associatton addressed letters to the Chinese and Filipino associations, urging the holding of a preparatory committee meeting for the event.

Professor Yamamoto, director of the Japanese Athletic Association, accompanied by two members of the Manchukuo Athletic Association, will shortly proceed to China and the Philippines with a view to making consultations with the athletic associations in the two countries regarding the question of Manchukuo's participation in the coming Olympiad.

Republican Senator Foresees Huge Deficit in U. S. Finances

A Federal deficit of $40,000,000,000 next year was predicted March 6 by Senator S. D. Fess, Republican from Ohio, in the course of a tumultuous debate in the Senate over the Administrations policies; he said the policies of the Administration must be judged by results and not by ballyhoo.

George N. Peek, recently appointed to the presidency of the New Import and Export Bank (intended primarily for fostering trade with the Soviets) will retain the position of foreign trade adviser, and will thus occupy well-nigh dictatorial authority over the foreign trade of the United States.

It was announced in New York March 5 that Richard Washburn Child will leave for London on March 14 to make an economic survey of conditions in Europe on behalf of the Roosevelt Administration. Mr. Child was an adviser to Cordell Hull, U. S. Secretary of State, during the World Economic Conference in London last summer.

J. P. Morgan & Co. Unload Airmail Stock

Richard L. Whitney, President of the New York Steck Exchange, revealed Mar. 5 that J. P. Morgan & Company unloaded 4500 shares of United Aircraft Company common stock on the New York Stock Exchange shortly before the Government cancelled all airmail contracts. The question of whether advance information on the government's action to cancel leaked out is being taken up by the Banking and Currency Committee which is investigating the airmail contracts.

New Philippine Independence Measure Presented to Congress

President Roosevelt March 2 sent a special messsage to Congress, recommending the revival of the Hawes-Cutting Philippines Independence Bill, with an amendment relinquishing the United States military bases in the Islands after independence.

The Hawes-Cutting Bill was passed by Congress a year ago, but it automatically lapsed early this year because the Philippines government failed to accept it. The Bill provided independence for the Islands within 12 to 14 years, with the United States retaining the option to keep certain military and naval bases there after independence. This privilege, however, was relinquished in the new amendment submitted by the President.

Concerning the naval bases, President Roosevelt recommended "an ultimate settlement in this matter on terms satisfactory to both the Philippines and the United States governments." Mr. Roosevelt said that he did not believe the other provisions of the original law needed to be changed at present. He was confident that imperfections and incqualities where they existed, could be corrected after a proper hearing, and in fairness to both peoples.

He concluded, "May I emphasize that while we desire to complete the independence of the Philippine Islands at the earliest proper moment, to effect this without allowing sufficient time for the necessary political and economic adjustments would be a definite injustice to the people of the Islands, little short of a denial of independence itself. To change the economic provisions of the previous law at this time would reflect discredit on ourselves."

Senator Manuel Quezon, head of the Philippine Independence Commission, has expressed complete satisfaction with President Roosevelt's message.

Abandonment of U. S. Naval Bases in Philippines

It was authoritatively stated in Washington Feb. 25, that as a result of the imminence of Philippine indepence, the United States Navy Department is quietly considering plans to abandon the naval bases that have been established in the archipelago. Well-informed circles pointed out that once the Philippines are granted their independence, it would become necessary for the United States to strengthen its base at Pearl Habor in Hawaii, which would be the sole strategic point in the Pacific left America.

In connection with this development, added importance was attached to the recent flight of six United States Navy seaplanes from San Francisco to Honolulu—a distance of 2,098 miles—under the leadership of Lieutenant-Commander Kneffer McGinnis.

Japanese Prince Will Tour Europe and South America

Prince and Princess Kaya, whose foreign tour was indefinitely postponed two years ago owing to the Manchurian Incident, were scheduled to leave Kobe on March 9 on board the N.Y.K. liner *Yasukuni Maru*, sailing for Europe. Prince Kaya will make an extensive study and inspection of military science and establishments during his stay in Europe and America. One of the features of the present foreign tour of the imperial couple will be a trip to South American countries.

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"Army-Navy Alienation" Movement Is Extensively Prevalent Throughout Japan

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

THE War Office and Navy Office each issued a statement of its own on December 9 regarding the movement of alienating the harmony between the military and the people, and also between the Army and the Navy.

The gist of the Army declaration is as follows :

There have been attempts made in some quarters at creating ill-feeling between the Army and the people. For instance there are men who represent the crisis of 1936 as due entirely to the propaganda of the army. There are assertions that in the recent conflicts in the Asiatic continent the lives of men in lower ranks have been freely sacrificed, while those of men in high rank have not been lost at all. Some go so far as to declare that the interests and welfare of the rural communities have been sacrificed for the sake of military expansion. Such movements have for their object disharmony between the army and the people and as such the army cannot let them pass unchallenged. At present two major attempts are being made to weaken the strength of national defense. One of them is the attempt at causing the defeat of the country—a movement conducted through the influence of the Third Internationale in Moscow. Another is the plot to cause alienation of sentiment between the army and the people. While the former movement has become notorious and hence easy to curb, the latter is difficult to control because it is gradually and persistently whetted by the external agents and influences. Its evil effect is thus not widely appreciated by the people at large. There are some people who use even the appropriations of the military funds, which are necessary for the completion of the State defense, as a pretext for alienating the harmony between the military and people. This is an inadmissible affair from the standpoint of the national defense, whether it is consciously planned or not. The present military budget requested was the minimum amount to carry out the State policies and to perfect the national defense. It is based on the idea of bringing about the eternal peace of the State and everlasting prosperity as well as the welfare of the nation. In view of the fact that the agrarian problems have an indispensable connection with the national defense, the army is greatly concerned about it. This is a plain fact. Notwithstanding, the army learns by hearsay that there are some people who try to stir up hostility of the rural communities against the army. This is regrettable from the standpoint of national defense as well as from the viewpoint of the welfare of the nation (Dec. 10, Tokyo *Nichi Nichi*).

The declaration by the Navy is, in gist, as follows :

The Navy Office is in accord with the statement issued by the War Office. In the present trying period, the whole nation must be united as one. An accord of the people is most essential under the present circumstances. The whole nation was united in the Sino-Japanese and the Russo-Japnaese Wars and in the Manchurian and Shanghai emergencies. In order to cope with the critical period with which the country is confronted, national defense must be strengthened, public opinions must be unified, and the 90,000,000 people must be firmly united. The naval authorities regret that voices have been raised recently in some sections which are calculated to alienate the people from the soldiers and alienate the Army from the Navy. Such maneuvers are most dangerous to the country and are believed to be the work of those who have malicious designs on the country. The people must not be misled by such mischievous propaganda at this important period (Dec. 10, *Tokyo Nichi Nichi*).

In the present Diet these declarations were frequently referred to during interpellations, but the severest attacks were the queries made by Masuzumi Ando, a Seiyukai member of the Diet, on January 24. The following is the translation of his speech published in the Jan. 25 issue of the *Tokyo Asahi* :

"As regards the issue of the so-called army-navy alienation, Masuzumi Ando, a Seiyukai member, spoke in the House of Representative as follows : 'On Dec. 9 of last year both the army and the navy issued statements condemning those who attempted alienating the military from the civilians. I do not understand what prompted them to resort to such a measure. It is nonsensical to think that, at the enlightened age when the universal conscription system prevails, such a movement can be practised. Even if there be some who dare attempt at perpetrating such a thing, the army's and navy's publishing such declarations serve to manifest their undue irritability and perturbation. What we must not overlook in this connection is the fact that the statements have made the public skeptical as to the relations between the military and the people. We are afraid the declarations may bring a result which the military least expected. Moverover, these statements would contribute to stimulating foreigners, adding to their already sufficient suspicion toward Japan. For these reasons they cannot be made light of. Of late the lower classes of the people have come to entertain an idea that an outbreak of war will be inevitable in 1936. At this critical juncture a ficklesome demonstration likely to disturb the peace of minds of the public ought carefully to be avoided. As there are even those who regard the comparative reticence shown by the political parties as due to military oppression, the military circle should make public all that it can. To respect the freedom of speech is the pressing need of the moment.' "

The statements made in camera on January 25 by Navy Minister Osumi and War Minister Hayashi with reference to the issue were roughly as follows :

Navy Minister : To cite an instance of the army-navy alienation movement, I may point out the handbills of anti-military thought distributed at the residences of the navy officers at Kure on October 6, 1933, and the anti-war agitation handbills scattered in a certain corps of the First Division on November 15. Besides, on October 30 there were some who scattered leaflets under the caption of "We are against the 65th Diet," apparently aiming at creating a gap between the military and civilians. It is in view of the serious nature of such movements that we decided on issuing the statement.

War Minister : Various publications aiming at alienating the army and navy from the people are coming in from abroad, and it is in order to prevent them from creating ill effects upon the unity of the nation and national defense, that we made the statement.

From the above-mentioned statements made by the political party's side and the army and navy heads, relations between political parties and the military can be conjectured. This much preliminary knowledge is required for the true understanding of the following summaries of campaign speeches made by members of political parties in various parts of the country. In view of the fact that the Japanese army and navy are made up principally of recruits from local communities and that the rural folks generally lack power of judgment due to the insufficient education which they have received, the impressive speeches delivered by the members of Parliament are all the more significant. Seeds sown will never fail to germinate and grow up in some form or other.

Public Speeches by the Seiyukai Members

Kunimatsu Hamada (濱田國松), M.P. (At Tokyo, October 9, 1933) : It is outrageous to attack political parties which for the past 50 years have served the cause of the state. Most of the party members have done their utmost for upholding constitutional politics and have lost their private fortune for the sake of parliamentary politics, whereas the soldiers are spending the evening of their lives in peace in large houses on a substantial amount of pension. If there are any whom the nation should curse, they must be soldiers. (Stenographic record by the *Teikoku Shimpo*).

Kunimatsu Hamada, M.P. (pamphlet published on Oct. 21, 1933, by the Miyagi Branch of the Seiyukai Party) : Most of those who were connected with the May 15 case, while earnestly supporting a monarchical regime in a strict sense of the word, are yearning after the advent of fascist politics. They plotted to realize the revolution of the first stage by establishing a milltary government. It is a mistake to ascribe the lack of national defense to the responsibility of political parties. As to the insufficient State defense, the responsibility lies with those who have long taken charge of it. It is soldiers themselves who, among the State representatives at a

disarmement conference, ought to shoulder the main and technical responsibilities regarding the conference. Naturally the responsibility for national defense or lack safety of ought to be borne by themselves. This is the voice of most of the nation.

Kazutami Tago (田子一民), *M.P.* (at the Seiyukai's campaign at Sapporo Public Hall, Oct. 7): The defendants of the May 15 case tried to undermine party politics on the score of the pitiful plight of agrarians and the violation of the supreme command, but each of these affairs belongs to the responsibility of the state ministers and not at all to the political parties. Consequently their accusation is wide of the mark and the activities of the military circle and the defendants of the May 15 incident are unjustifiable and entirely beyond our comprehension. (Stenographic record by the *Teikoku Shimpo*).

Minoru Tamura (田村實), M.P. (at the Seiyukai's campaign at Kochi, May 5, 1933): The military has exercised its superfluous power since the Manchurian Incident and its arbitrary attitude has been remarkable of late. It is seeking to catch hold of every chance for disclosing in public the evil conduct of political parties. The party members should unite in repelling the military's violence and fascism and ought to return the constitutional politics to its regular path. (Stenographic record of the *Teikoku Shimpo*).

Fukumatsu Kimura (木村福松), *M. P.* (at Osaka campaign, Oct. 22, 1933): The arbitrary conduct of the military defies our description. War Minister Araki is going to present an astoundingly large military budget estimate and is absorbed in the attempt at creating a new cabinet with Prince Konoe as the central strength, thus undermining the party politics.

Eiikichi Hikida (匹田銳吉), *M. P.* (at the campaign at Mino, Gifu Prefecture May 24, 1933): The military, taking advantage of the recent military fervor among the people, has come to interfere in politics. This, however, is not in accordance with the august teachings of Emperor Meiji. That it has recently been intent on demonstrating militarism among students of schools of middle and higher grades by despatching officers, is detrimental to the healthful growth of thought of the young.

Etsujiro Uehara (上原悅二郎), *M. P.* (at the campaign of Kawagoe, Nov. 14, 1933): The militarists in general and those out of employment are emphasizing the need of crossing swords with the United States and Soviet Russia with a view to bringing home to the minds of the prople the gravity of the "extraordinary times" in which they find themselves. We wonder if such is the way to abide by the august spirit of the Imperial mandate issued at the time the country quit the League of Nations. Taking no notice of the pitiful plight of the people the military circle is bent on stressing the need of augmenting national defense, strirring up the sentiment of the people. The nation must, however, be always on its own guard not to be misled by such military instigations, ever retaining sound judgment and acting upon its established far-sighted national policy. (Stenographic record by the *Teikoku Shimpo*).

Takeshi Azuma (東武), *M. P.* (at the Okayama Public Hall, Nov. 25): What benefit could we derive from a war with America and Russia? The military is creating "war-fever" among the people, stating that the year 1935 will bring a national crisis. Such a propaganda by the military would serve merely to convert the country into another Germany. The people ought to be on their guard. (Stenographic record of the *Teikoku Shimpo*).

Etujiro Uehara (上原悅二郎), *M. P.* (same as above): Some jingoists cry that upon the solution of the Manchurian question a war either with America or with Russia may be inevitable, but nothing is more nonsensical. Despite the fact that our foreign relations could easily be smoothed up to our advantage through diplomatic means, the military circle unnecessarily stirs up "war-feaver" among the people. The military is indeed the common enemy of the people. (Stenographic records by the *Teikoku Shimpo*).

Masazumi Ando (安藤正純), *M. P.* (at the campaign at Niigata, Dec. 10): I admit all the members of the political parties are not right doers. Similarly, I do not think all the military and government officials are free from evil conduct. The military has of late crossed its boundary and even attempts at restricting the freedom of speech, as is evidenced by the statement issued on December 9 by the War Office. Who could disregard the need of national defensive measures, when the universal conscription system prevails? The state defense ought not to be monopolized by "professional soldiers." Recently, especially since the advent of the period of military activities following the outbreak of the Manchurian Incident, the military began poking its nose into affairs outside of its own until, as the result, it began to grumble at the manifold burdens which it has thrown upon its shoulders themsleves. The recent national politics can be termed the military's despotic administration. That the military circle has come to implant its influence to such a degree is not without a reason. Since 1931 the situation at home has become as tense as in war time, and for the execution of the duties assigned to the army and navy the backing of thepeople was a vital requisite. The military therefore seized every possible chance to set forth its principle, until at last the nation has come to have full confidence in it. In the meantime the political parties supported the military and made possible the unification of public opinion. The military, however, knows nothing of the political party's latent power, yet it nevertheless is the party's power that has enabled the military to unreservedly exert its energy. These circustances teach us that we should avoid fascism in the military's absolute government and uphold party politics. Herein lies the proper course for constitutionalism to follow. However, the fact is that the military circle considers the affairs relating to State defense are exclusively their own and condemns outsiders' discussing the State defense as a sinister means to create a gap between the military and people. The military's declarations are nothing more or less than the actual means of restraining the freedom of speech. Since all the Japanese have concern about the welfare of their own country, it is nonsensical to think that affairs concerning State defense ought to be monopolized by the military and that no interference by the nation shall be allowed. Should the military circle continue showing such attitude it will eventually lose the confidence of the people and thus dig its own grave. (*Niigata Mainichi Shimbun*, Dec. 11).

Jiro Hoshijima (星島二郎), *M. P.* (at the campaign at Gifu, June 29, 1933): The attitude of the military will contribute nothing toward promoting the politics but instead will serve to return it back to the feudal times of the Tokugawas. Therefore, the whole people must stand up united against the military circles' attitude even at the risk of their lives.

Tadahiko Okada (岡田忠彦), *M. P.* (at the Kawagoe campaign, Nov. 14, 1933): The Imperial Japanese soldiers went so far as to assassinate the Premier, and we are afraid what their next attempt may be. It is evidently wrong that the defendants of the May 15 case made a propaganda of their principle and insistence at the court.

Shinya Uchida (內田信也), *M. P.* (at the Okayama Public Hall, Nov. 25, 1933): The responsibility for violation of the supreme command which occurred at the time of the conclusion of the London Treaty lies with the military ministers of the Cabinet at that time. Fascism, that is, the military circle, is a dangerous development at the present time.

Yonosuke Sato (佐藤洋之助), Sokichi Yada (八田宗吉), Kumajiro Takahashi (高橋熊次郎), each an M. P. (these three included in their speeches the following remarks at the Seiyukai campaign at Akita, Dec. 10): Emperor Meiji mentioned in his mandate that soldiers should not participate in politics but should fulfill their own duty in real earnest. Soldiers must never be allowed to advance into the political field. That they interfere in domestic politics is not the way to be faithful to the spirit of the august precept and will eventually cast a dark shadow upon the way of the nation. It is presumptuous for soldiers to attempt at resuscitating the povery-stricken agrarian community. Evidently the London Treaty was concluded after the sanction by the Chief of the Naval General Staff was secured. Such being the circumstance of the case, it is outrageous that at this time the military circle says that the political parties do not understand the State defense.

Public Speeches by the Minseito Members

Baron Reijiro Wakatsuki (若槻禮次郎), President of the Minseito (at the Sendai campaign Oct. 28, 1933): The improved relations between China and the United States are nothing but an American means to improve her China trade and there is no sinister design on the part of the United States. Neither is the Soviet's advance to the Far East preparation for war with Japan; she attempts thereby onlv to solidify her frontier defnese. The military is unreasonably too sensitive over these situations. The revision of the London Treaty will never bring into existence a national crisis. (Stenographic record by the *Teikoku Shimpo*).

Hiroshi Kiyoshi (清寬), *M. P.* (at the Niigata campaign, Dec. 3): Soldiers recently contracted the habit of employing the words "Huang chun" (皇軍) at rendom. Such an attitude is presumptuous. The military, especially young officers, are looking forward to the appearance of fascism politics. Already there are among them those taking an important role in the movement. The defendants of the May 15 incident raised cries at the court for destroying financial cliques, while the downfall of financial cliques would mean the ruin of the state finance. The military circle is intent on demonstrating the strained relations between our country and Russia and America, but this military propaganda is groundless; it was used as a bait to successfully hook the military budget estimate. Furthermore, the military insists upon the arrival of a national crisis in 1935-6. We do not agree with it in this respect, however. Probably, in this way the military circle attempts to realize its final object of armament expansion. The general public ought to realize the folly of dancing to the military's tune. One of the fundamental causes for the nation-wide unrest of today is the military circle's having come to take part in every branch of state politics. (Stenographic record by the *Teikoku Shimpo*).

Saburo Oshikuma (推熊三郎), *M. P.* (at Sapporo Public Hall, Hokkaido, Nov. 23, 1933): The Manchurian and Mongolian question now requires Yen 30,000,000 a month. And how long the situation will last is a question. This is indeed unbearable when the agrarian community is so depressed as at present. In the face of such a wrong Manchurian policy of the military, how could we entrust to soldiers the administration of the country? (Stenographic records of the *Teikoku Shimpo*).

Dr. Mitsugu Tanaka (田中實), (at Tokyama, Dec. 7): The politics of Japan should be carried out in accordance with the spirit of the Constitution. The Soviet's spy politics and Italy's fascist

(*Continued on page 67*)

68-064

Another Program for Relieving China's Silk Industry

BY PAUL K. WHANG (汪仲芳)

WITH a view to saving the silk industry in China in general and in Shanghai in particular, the Ministries of Finance and Industries have recently formulated the following five relief measures:

(1) The Executive Yuan should order the Municipality of Greater Shanghai to raise money to finance the operation of filatures which are either now in operation or already suspended, and to grant loans to the silkmen either in cash or in debentures with filature properties as security. This relief measure should be carried out within the shortest possible time so as to enable those suspended filatures to resume their operation and the unemployed workers, numbering more than 80,000, to regain their livelihood.

(2) The transportation charges of cocoons and silk both on land and on water should be reduced.

(3) The miscellaneous taxes imposed by provincial and local authorities on cocoons and silk should be abolished.

(4) The National Economic Council should be urged to form immediately a Commission for Rationalization of the Silk Industry for devising basic relief measures.

(5) The Ministry of Finance in collaboration with Customs Authorities should without delay increase the rate of import duties on Artificial Silk, and the increased portion of import duties should be earmarked as a capital fund for relieving the silk industry in time of emergency.

The first measure of this relief program chiefly concerns the silk industry in Shanghai, while the remaining four measures have been intended to bring some form of relief to the silkmen in China as a whole. According to the press report, the whole program has not yet been submitted to the Executive Yuan for its sanction, because the Ministries concerned have not yet taken time to investigate the possibility of raising the rate of import duties on Artificial Silk as provided in the fifth measure. In view of the tardiness of official action, including its proverbial red tape, it is exceedingly doubtful if these relief measures can be carried into practice before the coming coccoon season.

While we applaud the government in initiating any measure for relieving the distress of silkmen, we, however, can not help expressing our doubt as to the effectiveness of the present program in attaining the desired objectives. In asking the Municipality of Greater Shanghai to find the wherewithal to finance the operation of local filatures, the government will probably pass the buck to the local authorities. The local Municipal officials may be very much interested in reducing the number of unemployed people so as to facilitate the maintenance of peace and order in the local community; but in view of the financial difficulties of the local government since the Sino-Japanese outbreak of 1932, we doubt very much if it can follow the instrauctions of the Central Government to raise money on its own credit for financing the operation of local filatures.

Filature Operators Usually Not Owners

Moreover, it must be noted that most of the filature operators in Shanghai do not own their filatures. Such being the case, the filature operators are, therefore, not in a position to mortgage their filature properties for loans. Even those who own their establishments have long since mortgaged them to the banks. Thus the first measure will bring little benefit to the filature operators who have been over head and ears in debts.

Furthermore, Shanghai is not the only silk center in China. The silk industry in Kwangtung, Szechuen, Shantung and Hupeh is in just as bad condition as that of Central China. For months, silkmen of Kwangtung, Szechuen and Shantung have applied to the Nanking government for relief funds. Even in Central China, besides Shanghai, there are also filatures in Wusih, Hangchow and other silk centers. Why should any relief measure be designed to be applied to one district only?

As a matter of fact, the relieving of the silk industry is no onger a local problem, but a national issue. No local government is financially able to bear this stupendous task. While the Central Government may ask the local authorities to cooperate with it in carrying out this work of reconstruction and rehabilitation, it, however, must take upon itself the main task of financing, supervision and mapping out a complete and definite relief program.

The reduction of transportation charges of cocoons and silk both on land and on water will of course be beneficial to those silkmen in distant lands, who have to bring their silk to Shanghai for exportation. To a small extent, the Shanghai silkmen will also profit when they have to buy cocoons inland and ship them to Shanghai for manufacture. But the benefit thus received is not attractive enough to induce the silkmen to resume the operation of their suspended filatures.

The Kine is long overdue for the miscellaneous taxes imposed by provincial and local authorities on cocoons and silk to be abolished. The writer in his many previous articles on the silk industry has strongly urged the abolition of miscellaneous taxes as one of the measures of relieving the silk distress. Take the taxes on cocoons for instance. The aggregate sum paid for various forms of taxes on cocoons is not the same in different provinces, nay, even in different districts of the same province. In Central China, the provincial authorities of Kiangsu, Chekiang and Anhwei have never attempted to make the assessment a uniform one, while the district chiefs have vied with each other in increasing the revenue by imposing new forms of taxes on various pretences.

Besides taxes and surtaxes levied by the provincial and local governments, the silkmen are also requested to pay various forms of fees and to make special contributions, whch all in all will also amount to a substantial sum. Some of the taxes when they were first levied were known as emergency measures; but once they came into being, their chance of abolition was very slim, even though they have no longer any raison d'etre. Attempts have been made on the part of silkmen to revise the system of taxation so as to make it uniform elsewhere, but they have never been successful in bringing different governments to an understanding.

What is true of Central China must be also true of other provinces. But we must add that in Szechuen the condition is far worse. The warlords in that war-torn province, in their eagerness to raise money to fill their respective war chests, have imposed prohibitive taxes upon the people in their respective governed areas. Thus silkmen, in shipping a bale of silk from west of Chengtu, capital of Szechuen, to Chungking, have to pay to various warlords transit duties or protection fees en route; otherwise, the silk will be liable to be confiscated by the military men. Moreover, the planters of mulberry fields have to pay their land taxes ten or more years in advance. This vexatious tax system has very much increased the cost of silk production and handicapped the growth of the silk industry.

Local Governments Opposed to Tax Abolition

In view of the fact that the abolition of taxes on cocoons and silk will affect the revenues of provincial and local governments, we have reasons to believe that this measure can hardly be carried out without arousing stiff opposition form the provincial and local governments. It goes without saying that the warlords in Szechuen will not willingly comply with the government order in giving up this handy means of raising revenue. As a result, this measure will likely remain on paper as an empty promise to the silkmen.

A Commission for Rationalization of Silk Industry has already been formed, but to pin too high a hope on it invites disappointment. The basic relief measures have been long formulated, but they have been held in abeyance because of the fact that the government has not money on hand for their execution. The Commission can not carry out those basic reform measures with empty hands; and unless it is provided with sufficient funds, its creation will do no good to China's silk industry.

It was suggested long time ago that the rate of import duties on Artificial Silk should be increased and that the increased portion should be used for relieving the silk industry. The import duties have already been increased from G.U. 0.58 to G.U. 0.73 per catty since August, 1932, but the money derived from the increased duties has never been set aside by the government in accordance with the suggestion. Otherwise, it will amount to a quite substantial sum by now. In this connection, it is pertinent to note that only recently the silk weaving mill operators of Kiangsu and Chekiang provinces have petitioned the Nanking government to exempt imported Artificial Silk from duties until the time when we can produce our own. In this circumstances, the government can not raise the import duties once again without arousing opposition from silk weavers.

From the above, it is clear that the program mapped out by the Ministries concerned is neither practical nor effective, and that even if it is sanctioned by the Executive Yuan and carried out, it will not bring any relief to the silkmen. Leaving the basic relief measures aside, we are safe to say that what the silkmen are badly in need of at present is not empty promises nor elaborate programs, but hard cash with which they can finance the operation of their establishments.

Shanghai, March 5, 1934.

The undermentioned offering of $10,000,000 represents a portion of an underwritten issue of First Mortgage Debentures of $21,000,000 of which applications have been received for $11,000,000 and allotted in full—the balance is now offered for public subscription.

10,000,000 Chinese Silver Dollars

Shanghai Power Company

First Mortgage Debentures, 5½% Dollar Series Due 1973

9-39 Year Debentures

Interest payable August 10 and February 10 at the office or agency of the Company in Shanghai. Dated February 10, 1934, due February 10, 1973. Redeemable in whole or in part at any time on or after Febiuary 10, 1943, at the option of the Company on at least 30 days published notice, at the principal amount thereof and accrued interest. Coupon debentures in denominations of $1,000, $5,000 and $10,000; fully registered debentures in interchangeable denominations of $100 and multiples thereof; coupon and registered debentures interchangeable.

Hongkong and Shanghai Banking Corporation, Trustee

BUSINESS

Shanghai Power Company was incorporated under the laws of Delaware, U.S.A., in May, 1929. It owns and operates the extensive electric property which supplies the entire electric power and light service in the International Settlement of Shanghai, including the supply of electric power for the operation of the tramways.

Among the widely diversified industries served are cotton spinning and weaving mills, silk mills, flour mills, paper mills, cigarette factories, shipbuilding works, machine shops, oil mills, egg canning and packing works, ice and cold storage plants, rubber and chemical works, brass rolling and aluminum mills. The Company is also supplying a rapidly growing demand for power in theaters and office buildings for air conditioning.

The number of customers served by the Company is approximately 73,642. Of the 144 major power consuming industries in the territory served directly by the Company 143 take power from the Company. 134 of these take all their power requirements from the Company. The area served by the Company is remarkable for the density of its load.

TERRITORY SERVED

Shanghai is the commercial gateway to China. It is one of the leading ports in China for foreign and coastwise shipping. The accessibility of the Yangtsze River and the location in Shanghai of the terminals of the Nanking-Shanghai and Shanghai-Hangchow-Ningpo railway systems make available the leading arteries of trade to the interior. These circumstances all contribute towards making Shanghai a natural center for the concentration of raw materials and merchandise and a natural and economical location for manufacturing industries.

The population of Greater Shanghai is estimated at 3,350,582, of which approximately 1,008,000 is within the International Settlement. The population of the territory served directly or indirectly by the Company is estimated at 2,225,000.

PROPERTY

The physical properties within the International Settlement owned and operated by the Company include an electric generating station having an aggregate installed generating capacity of 161,000 kilowatts, 238 miles of transmission lines and 826 miles of distribution mains. An additional 22,500 kilowatt unit is in process of completion and should be in operation during the early summer of 1934 which will increase the installed generating capacity to 183,500 kilowatts. The generating station is modern in every respect and is favourably located with respect to coal supply and cooling water.

prevailing exchange make it advisable to retire the United States dollar obligations of the Company as far as can be done with the proceeds of the 21,000,000 Chinese Silver Dollars principal amount of the First Mortgage Debentures 5½% Dollar Series due 1973 presently to be issued, and thereby minimize the exchange risks.

On February 10, 1933, the Company issued Shanghai Tls.33,000,000 principal amount of its First Mortgage Debentures, 5½% Series due 1973, hereinafter designated "Tael Debentures" Because of the official abolition and resultant present limited use of the Tael the Company has agreed under certain terms and conditions with the Hongkong and Shanghai Banking Corporation to substitute, at the ratio of 1.0 to .715, its Dollar Debentures for its Tael Debentures, provided the holders of such or the holders of the Hongkong and Shanghai Banking Corporation interim receipts for such so agree. Within the past few weeks the holders of over 94% of the principal amount of these Tael Debentures have requested such substitution to Dollar Debentures.

When the substitution or conversion from Tael Debentures is accomplished the Dollar Debentures then to be outstanding will be of the same series and designation as those offered in the present financing.

The Tael Debentures and the Dollar Debentures offered to be substituted therefore and the Dollar Debentures offered in the present financing all rank pari passu.

The Chinese Silver Dollar for all purposes of the Dollar Debenture is defined as "A unit of currency containing 23.493448 grammes of pure silver (1,000 fine), and shall be payable at the option of the Company in Chinese Silver Dollars as above defined or in Shanghai Mint Bars or in commercial bar silver current in any of the principal silver markets of the world in each case in an amount which shall give the holder thereof 23.493448 grammes of pure silver (1000 fine) for each Chinese Silver Dollar stated to be payable or in any money containing the same quantity of silver based on 1,000 fine as is represented by the number of Chinese Silver Dollars stated to be payable, plus in the case of payment in commercial bar silver or in any money which at the time of payment is not current and legal tender in the Shanghai Settlement, an amount of such commercial bar silver or money, as the case may be, equivalent to the mintage or coinage fee then charged by the Chinese Government Mint in Shanghai for converting such commercial bar silver or money as the case may be into money then current and legal tender in the Shanghai Settlement, provided, however, that the Company shall never be obligated hereunder to pay on account of any such fee or of any seigniorage profits or other such charges or taxes any amount in excess of 2½% of such commercial bar silver or money, as the case may be."

FRANCHISE

The Franchise under which the Company operates is, in the opinion of counsel, perpetual, with the option reserved to the Shanghai Municipal Council to repurchase for their own operation, at the expiration of 40 years from August 8, 1929, the entire plant and system of the Company used under the Franchise. If the Municipal Council does not exercise its option to repurchase at the end of such 40 years, then the Municipal Council has a similar right to repurchase at the end of each 10 year period thereafter.

In the event of the exercise of any such option, the Council will become obligated to pay to the Company the then fair value to the Company of the entire system operated under the Franchise and to assume all power contracts. The franchise provides that such then fair value shall in no event be taken as less than the principal amount originally paid by the Company to the Council for the property plus the cost to the Company of all additions.

PURPOSE OF ISSUE

The purpose of this issue is to retire U.S. Dollar obligations of the Company (*i.e.* Twenty Year 6% Gold Notes Series A) to the extent of the equivalent amount in U.S. Dollars of the net proceeds of this issue, and such net proceeds from the sale of this issue will be wholly used for such purpose.

Since the acquisition of the system from the Shanghai Municipal Council under the terms of agreements dated August 8, 1929, all payments to the Council have been promptly made when due and the purchase was completed December 30, 1933.

The aggregate of all installments under the Purchase Agreement dated August 8, 1929, and interest, paid to the Council by the Company was Tls.95,302,804.08, represented by Tls.81,000,000 principal amount and Tls.14,302,804.08 interest.

The Company has further provided new capital for required extensions to meet the steadily increasing demand for service.

The 20 Year 6% Gold Debenture Notes Series A due 1950 and the U.S. $7 Second Preferred Stock were issued and sold principally to secure funds for the payment to the Shanghai Municipal Council of the obligation of the Company under the purchase agreement August 8, 1929

While the disadvantages of United States Dollar securities to a Company having a silver revenue were fully understood at the time, no silver debenture financing was then practicable as under the terms of the purchase agreement the Company had given the Shanghai Municipal Council as security a first mortgage on all its property. The Directors of the Company now consider that the earnings of the Company and the

SECURITY

The mortgage under which these Debentures are issued is made to the Hongkong and Shanghai Banking Corporation as Trustee which, in the opinion of counsel, constitutes a direct first lien on the Franchise granted to the Company by the Shanghai Municipal Council and on all fixed property within the Shanghai International Settlement now owned by the Company.

Copies of the Mortgage which sets forth, among other things, the terms and restrictions as to the issuance of additional Debentures are available for inspection at the office of the Trustee, and at the office of the Company.

EARNINGS (*In Shanghai Taels*)

Calendar Year	Gross Earnings (including other Income)	Net Total Income (after Operating Expenses, Maintenance and Taxes but before Depreciation)
1931	17,932,689	8,076,716
1932	16,429,561	8,363,248
1933	18,842,785	9,376,468

On the basis of 100 Chinese Silver Dollars equals 71.5 taels, the net total income as above for the twelve months ended December 31, 1933, amounted to more than 3.5 times the annual interest requirements on the Tls.33,000,000 (or its equivalent) principal amount of First Mortgage Debentures now outstanding and on the 21,000,000 Chinese Silver Dollars principal amount presently to be issued.

TABLE SHOWING THE COMPARATIVE SIZE OF THE SYSTEM

Year	Undertaking	Units Sold	Maximum Load in K.W.	Annual Load Factor %
1933	Shanghai Power Company	695,173,403	133,134	64
1932	Manchester	398,565,408	161,450	35
,,	Birmingham	388,758,092	171,900	31
,,	Liverpool	297,024,887	114,210	36
,,	Glasgow	236,815,327	103,440	31
,,	Sheffield	207,861,395	86,340	33

The figures for the systems, other than for Shanghai Power Company, have been obtained from the "Electrical Times" of London, England, dated May 4, 1933.

These Debentures will be listed on the Shanghai Stock Exchange.
Brokerage of ¼% will be allowed on subscriptions allotted in response to applications bearing the names of members of the Shanghai Stock Exchange.
Legal details pertaining to this issue will be passed upon by Messrs. Hansons, and Messrs. Franklin & Harrington.
Copies of the Mortgage and Deed of Trust are available for inspection at the office of the Trustee, and at the office of the Company.
Application in the prescribed form should be filled up and sent to the Hongkong and Shanghai Banking Corporation, accompanied by cheque in favour of that Bank equivalent to $99 for each $100 principal amount of Debentures applied for, plus accrued interest after February 10, to date of payment in accordance with table shown on reverse side of application form.
Application forms and copies of the prospectus may be obtained from the undermentioned, any member of the Shanghai Stock Exchange, or at the office of the Company.
It is expected that interim receipts will be ready for delivery 48 hours after closing of subscription list.

The official list will be opened at 10 a.m. March 8, 1934, and closed on or before 3 p.m., March 9, 1934.

Price 99 to yield slightly over 5½%

(*With accrued interest after February 10*)

Hongkong and Shanghai Banking Corporation
The Chekiang Industrial Bank, Ltd.
International Savings Society

Swan, Culbertson & Fritz **Benjamin & Potts**

The information set forth above has been obtained from sources which we consider reliable. While not guaranteed, it is accepted by us as accurate.

68-067

Will Sino-British Relations Continue to Be Cordial Hereafter?

BY C. Y. W. MENG (孟 長 詠)

THE arrival of Sir Alexander Cadogan, the new British minister to China, marks the beginning of an era of even closer Sino-British relations in Sino-British history. What was done by Sir Miles Lampson, his predecessor, has already given us a good impression, and has shown us that the British Government has changed somewhat her policy towards China, her policy of the present day being one of friendliness. The New Minister, being also friendly disposed towards the Chinese apsirations, will undoubtedly continue to strive "to foster good relations with China in a spirit of co-operation and friendliness." It is with this hope that we wish to extend to the New Minister our hearty welcome and to him every success in future.

However, these are most eventful days in the Far East, due to the Japanese military policy and aggression in China in gross violation of all international agreements —which Sir Alexander, in view of his long contact with the League of Nations, and his familiarity with the Far Eastern situation, must be fully aware of. After a brief study of the actual situation in this part of the world, the new Minister will realize that the Japanese military policy in China is not only to wrest Manchuria form China, but also to extend its conquests. Under such circumstances, whether the British Government will stand for justice; will uphold the dignity of the League of Nations and the sancity of the international agreements; will give some timely assistance to China during the most critical moment in her history, in conformity with the usual proverb that "a best friend is a friend of need," or whether the British Government well eventually bow down before the Might, and actually accord recognition to Manchukuo, is a matter closely watched by the 450,000,000 Chinese! We, the Chinese, have always asked our British friends, "What is your true policy towards China?" This is because, up to the present, we really do not know their true policy. On the one hand there are some instances which show growing friendliness between these two great nations. But on the other hand, there have been many events which could not but cause the Chinese to accuse the British of being still imperialistic and aggressive. Taking advantage of this happy occasion of the assumption of his post as the British minister to China, may we call His Excellency's attention to the frequent reports in Chinese circles about the British "invasions," "aggressive activities," etc., against, or in, Chinese territories?

British Ambitions in Tibet

The British ambitions and aggressions in Tibet during the Manchu and Republican regimes are still fresh in our mind. There is no denying the fact that the British have been continuously supplying the "pro-British" Tibetans both with military experts and ammunitions. In the Tibet-Sikong wars, some British military officers were seen fighting on the Tibetan side. The ammunitions captured from the Tibetan troops bear the marks "Made in England." Some of the leaders of the Revolutionary Movement in Tibet who are now in Nanking state many of the Tibetan people have become bankrupt due to the payment of "military taxes," levied by the Tibetan authorities, but a large portion of the money so collected, goes, not for any productive or constructive purposes, but to England in exchange for ammunitions for war against the Chinese. Just a few days before the death of the Dalai Lama, Sir Charles Bell was recalled to service, and was sent to Tibet. The Tibetans alleged that it was because Great Britain was afraid that after the death of the Dalai Lama, the "pro-Chinese" party in Tibet would come into in power, and that that would have adverse effects upon the British interests in Tibet. It is also said that the reasons the British have not yet taken more drastic steps towards actually annexing Tibet are First: The Panchen Lama, a strong pro-Chinese advocate, is still living and he is sure to voice his strong opposition if the British take more drastic actions. Secondly, it is due to the unsettled conditions in India.

British Aggression in Yunnan

A few years ago we heard much about the British "invasion" of Kiang-Sin-Pu and Pi-Ma, Chinese territories lying in the extreme west of Yunnan Province, bordering on British Burma. But today, we hear again very much about the British "invasion" of the western border of Yunnan Province and the British "forcible exploitation" of gold and silver mines in Peng-Feng (班 洪) and Peng-Liang (硼 弄) Districts on the west of Yunnan.

According to the report, sometime last year the British began to construct a highway connecting Ku-Kan (果 敢) and Lan-Kiang (瀾 江). A Company with $7,500,000 as capital, was organized to finance the exploitation. 500 British soldiers are now stationed in these districts. About 30 or 40 camping places for the accomodation of the soldiers are being built. More bridges, motor car roads, radio communications, airdromes, etc., are under construction. Sometime, in December 1933, 2000 British soldiers, fully armed, arrived at Peng Feng and Peng Liang. The following is a rough translation of an urgent telegram to the nation from the People's Salvation Association in Yunnan reporting the incident:

> "According to reliable reports from the Peng Feng Districts, 7 or 8 British suddenly appeared at that place on December 14, (1933). They at once called a secret meeting of the natives. On December 19, they were suddenly followed by 2,000 British soldiers, fully armed. Wherever they they go, they construct motor roads, etc. At present they are constructing the Peng-Feng River Bridge.
>
> "Peng Feng is our territory, and is famous for its gold and silver mines. Apparently taking advantage of the national crisis which we are facing, the British want to rob these mines from us. The people of the Hsien have determined to resist to the last. . . ."

British Aggression in Sinkiang (Chinese Turkestan)

A new government had been set up in Kashgar in South-West Sinkiang. But certain foreign interests are stated to be the moving figures behind the the movement. The movement was already on foot sometime in April, 1933, when 300 British armed forces helped the natives to drive out the local authorities. Again, sometime in September, 1933, a rich merchant Sabit Domulla, a protege of the Emir of Khotan, was further instigated to start the movement. The new regime declares itself as "Eastern Turkestan Kingdom."

Chinese Suspicious of British Activities In Yangtsze Valley

These instances which we have discussed briefly are sufficient to remind us that (1) the Sino-British frontier problems are mostly pending, and are the most complicated of all; that (2) if they are not solved immediately and justly, will be the source of conflict—which would have much to do with future Sino-British cordial relations; that (3) judging from what the British are doing in Chinese frontier territories, the Chinese have come to the conclusion that the British are not necessarily less aggressive than the Japanese in desiring to wrest territories from China, the only difference being in the "degree" and "method" of aggression, the one having openly succeeded in wresting one big territory from China, while the other is trying to do the same secretly; and that (4) from the Chinese standpoint it is the case that on one hand the British talk very much about friendliness to China, just as the Japanese do, but on the other, the British go on with their aggressive activities in the Chinese territories, but not openly. Sir Alexander would do much more, and would make a more valuable contribution to Sino-British relations, if he would do something to bring about immediate, amicable and just settlements of these Sino-British frontier problems.

We want to remind the British that is it entirely due to the British "imperialistic and aggressive" activities on the Chinese frontier territories that have aroused the great suspicion of the Chinese. One instance will be sufficient to illustrate this point. Some German interests offered to asist the Chinese Government to open iron ore and coal mines in some district in the interior of Anhwei Province, an offer which the Chinese Government gladly accepted. According to the report, the formal contract will be signed soon for the opening of an Iron and Steel Works. Some British interests have also offered assistance to help the Chinese Government to open up the gold and silver mines in some places in Szechuen Province. But up to now, we understand, nothing concrete has been concluded. This is solely because of the existence of the Chinese "suspicions." When the British offered to act the Chinese began at once to wonder what is the British "true intention" in offering assistance to open up the natural resources in the Chinese territories? Are they animated by their good-will to help the Chinese, or do they have their own motives to serve? The Yangtsze Valley is the center of the British commercial interests. Should the British take no step to remove the Chinese suspicions, and should the Chinese, due to

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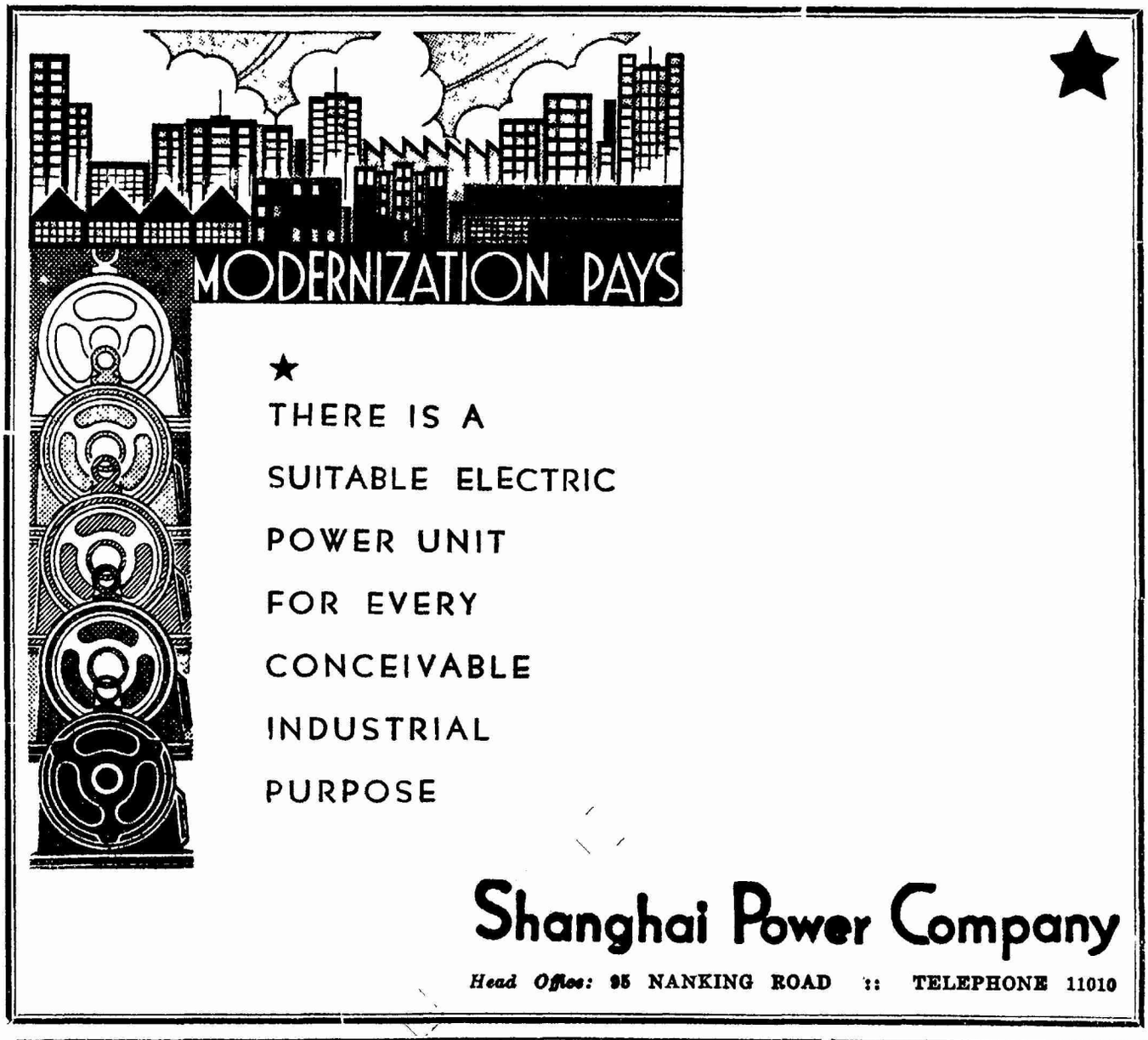


their suspicions, which are not ungrounded, allow themselves to have more closer contact with the British, one could easily imagine that it would be a great handicap to the development of Sino-British trade relations and friendship, particularly along the Yangtsze Valley.

Sino-British Commercial Treaty of 1903 ?

The Sino-British Commercial Treaty of 1903 expired sometime last year. Sir Alexander may be aware of the fact that only recently the National Government has made it very clear that hereafter the Chinese Government would not approach any foreign government, or its nationals, from any country whose out-of-date treaty with China is not yet revised. China will not employ foreign capital from such country for her internal development; China prefers to employ capital from the countries which have already concluded new treaties with China based on the principles of equality and reciprocity. That such has been the policy under the nationalist regime can be indicated by the rapid increase in the volume of trade between China and Germany. While the trade between China and other foreign countries makes only slow improvement, the progress of the trade between China and Germany was increased by four times in 1932, as compared with a few years previous. The only explanation is that after the abrogation of the out-of-date treaty with Germany together with other "special rights" in China, the Chinese have nothing to fear from the Germans, and welcome their investment. So the Chinese are glad to approach the Germans rather than the so-called more "friendly" Americans or British, either for opening of joint enterprises, or for financial or material assistance.

Great Britain was the first country to accord formal recognition to the National Government, and the British envoy was the first one received by the Chairman of the National Government—a gesture which won for the British a valuable favorable feeling of the Chinese. Will Great Britain take another "initial" step to meet China more than half way, to revise her out-of-date treaty with China, and to end many of the so called "special rights" in China? This is one of the most important questions which undoubtedly Sir Alexander has to answer. Should the new Minister strive "to foster good relations in the spirit of co-operation and friendliness, etc., between these two great countries," he has first to remove the very cause of the Chinese suspicions, and every obstacle to the development of better Sino-British relations and friendliness.

Nanking, March 3, 1934

Vladivostok Auction of Soviet Fisheries Meets Exchange Snag

On February 20 the yearly auction was opened at Vladivostok of leases, by the Far Eastern Fishing Trust, of fisheries in Soviet waters to Japanese fishing companies, to Soviet economic organizations, and to private individuals. In all, 113 fishery leases were put up to auction. A *Tass* message states that Japanese firms are attempting to ignore the new rate of exchange of bonds of the Kamchatka Company, which have been fixed in relation to the drop in the yen, and insisting on the acceptance of payments for final settlement in accordance with the old rate. The Far Eastern Fishing Trust, wishing to meet the Japanese fishing companies half way, and facilitate their participation in the auction, agreed to accept Japanese payments calculated in accordance with the old rate of exchange of the bonds, as payments made in advance.

Soviet economic organizations firmly take the stand that, having met half way the Japanese firms in carrying out the auction by agreeing to recognize as sufficient the deposits paid by Japanese firms as advance payments, they will resolutely insist upon the introduction of the new exchange rate of the bonds, in view of the fact that the catastrophic devaluation of the Japanese paper yen must be compensated for by a rise in the previous rate of exchange.

Summary of the Proposed Permanent Constitution for the Republic of China

THE full text of the final revised draft of the proposed permanent Constitution for the Republic of China was made public by the Legislative Yuan at Nanking March 4.

The draft consists of a total of 160 Articles, divided into ten Chapters; namely, (1) General Principles, (2) People's Rights and Duties, (3) People's Economic Well-being, (4) People's Education, (5) National People's Congress, (6) Division of Powers between the Central and Local Government, (7) the Central Goveinment, (8) the Province, (9) the Local Government and (10) Annex.

Based essentially upon Dr. Sun Yat-sen's Three People's Principles, the draft provides, among other things, for the convocation once every three years of a National People's Congress (*Juo-Min-Ta-Hui*) which, representing the entire electorate, may be described as the fountain of all political authority.

The National Government will be composed of the President (*Tsung Tung*) of the Republic and the five Yuans, all of whom will be responsible directly to the National People's Congress. As it is absoutely impossible for the entire nation to exercise the rights of direct democracy advocated by the late Dr. Sun, the National People's Congress will therefore exercise such rights on behalf of the People.

The Provincial Government, according to the draft, will be composed of a Provincial Assembly and a Provincial Governor to be chosen by the Assembly from amongst five nominees of the Central Government.

In the Hsien (District) and the Municipality, there will be, respectively, a popularly-elected District Council and Municipal Council. The Magistrate (or Governor) of the *Hsien* (District) and the Mayor of the Municipality will also be elected directly by the People.

Coming to the details of the draft, it will be noted, in the first place, that the various provinces and outlying districts composing the territory of the Republic are named specifically, and that these include the (North-eastern or Manchurian) provinces of Liaoning, Kirin, Heilungkiang, and Jehol.

People's Rights and Duties

Starting with the general principle of the equality of all persons before the Law, the second Chapter contains guarantees for such rights and liberties of the people as the liberty of the person, freedom from unlawful arrest and imprisonment, the liberty of choice of residence, the liberties of speech and publication, the freedom of assemblage and formation of associations, the right to the privacy of correspondence, freedom of conscience, inviolabiliy of private property, the right of instituting Judicial proceedings, the right of sitting for the civil service examinations; and the four controlling powers of direct democracy, namely, election, recall, initiative and referendum.

The obligations imposed by the draft Constitution are the duty to pay taxes, compulsory military service, compulsory labor service and compulsory public service.

It is also expressly provided that persons arrested on crimina charges must be sent within 24 hours of their arrest to the competent judicial tribunal for trial; and that in the event of any default on the part of the authorities concerned, any third party or the persons concerned may apply to the competent judicial tribunal to cause them to be sent to the tribunal for trial (*Habeas Corpus*).

People's Economic Well-Being and Education

The Chapter on People's Economic Well-being lays down the general principles that the Government shall build up a national economic system based upon the Principle of Livelihood as advocated by Dr. Sun Yat-sen; and that measures shall be taken to improve the production, distribution and consumption of wealth so that happiness and contentment may be secured to all.

With regard to the ownership of land, the draft, while stating as a general principle that the land of the Republic belongs to the people as a whole, recognizes the right of private ownership of land subject to reasonable restrictions by law. A significant provision in this connection is one which imposes upon private owners of land the *obligation* to exploit the land to the fullest possible extent.

Mineral and other natural resources under ground belong to the State, whoever be the owners of the land.

With reference to the question of unearned increment, it is provided that a special tax on the enhanced value of land is to be levied so that the benefit of such unearned increment may be shared by the public.

In order to secure a more equitable distribution of wealth, the draft calls for the imposition of a graduated scale ot income and inheritence taxes; enforcement of a more rational system for the apportionment of profits between employers and employees; restriction of the rates of interest and rents; and stabilization of the prices of foodstuffs and other daily necessaries. The draft also calls for the betterment of the lot of the workers and the adoption by the adoption by the State of policies for the protection of Labor.

The Chapter on Education provides for free and compulsory education for all children of school age. The cultivation of high moral character is emphasized as one of the principal aims of education. A noteworthy provision is that educational appropriations must not be less than 15% of the total expenditures in the case of the Central Government; and 30% in the case of the Local Governments.

The National People's Congress

The National People's Congress (*Juo-Min Ta-Hui*) will be composed of delegates to be chosen as follows:—

1. One each from each District or Municipality or other administrative areas of a smiilar status.
2. Delegates elected by Mongolians and Tibetans.
3. Delegates elected by Chinese nationals resident abroad.

Citizens of the Republic who have attained the age of twenty are eligible as electors; and those who have attained the age of twenty-five are eligible for election as delegates.

The National People's Congress is to be convened once every three years. The duration of its session will be one month.

The Congress will have power:

(1). To elect and remove the President and the Vice-President of the Republic; members of the Legislative and Control Yuans; the President and Vice-President of the Judciali Yuan; and the President and Vice-President of the Examination Yuan; and to remove (but not elect) the President of the Executive Yuan;

(2). To lay down general principles for legislation;
(3). To hold a referendum upon laws;
(4). To enact and amend the Constitution of the Republic;
(5). To receive the report of the National Government;
(6). To settle matters submitted to it by the National Government;
(7). Such other powers as are delegated to the Congress by the Constitution.

During the recess of the National People's Congress, there shall be established a National Council or Committee (*Juo-Min Wei-Yuan-Hui*) to be composed of 21 regular members and 10 reserve members, all of whom are to be elected by the National People's Congress. Members of this Council or Committee may not necessarily be delegates of the Congress; they are to be chosen from persons who have attained the age of 45; have rendered signal services to the country or have made important contributions to politics or learning. Members of this Council or Committee may not hold any concurrent posts.

The powers of the Council are to be as follows:—

1. After adjournment of the National People's Congress, to take over charge of the Secretariat and to prepare for the convocation of the next Congress;
2. To convene extraordinary sessions of the Congress either at the request of the National Government; or when an impeachment has been brought against the President or Vice-President of the Republic by a resolution of the Council passed by three-fourths of its members.
3. To try impeachments brought by the Control Yuan against the President or Vice-President of the Executive, Judicial, and Examination Yuans or members of the Legislative and Control Yuans;
4. To decide upon motions of no confidence introduced by the Legislative Yuan against the President of the Executive Yuan.

The Central Government

The 6th Chapter on the Division of Powers between the Central and the Local Governments lays down the general principle of equilibrium of power; and the rule that matters which are of a national character shall be under the jurisdiction of the Central Government, while those of a local nature shall be attended to by the Local Government.

The National Government, which is the Central Govrenment, is to be composed of the President (of the Republic) and the five Yuans.

The only qualification prescribed for candidates for the office of President or Vice-President of the Republic is that he must have attained the age of 45. The term of office for both the President and the Vice-President is six years; both are eligible for re-election for a second term. The President is the reptesentative of the Republic in all external affairs.

If, during the recess of the National People's Congress, the President and Vice-President of the Judicial or the Examination Yuan should be unable to attend to their duties for any reason whatsoever, the President of the Republic may, with the concurrence of the National Council, appoint an Acting President or Vice-President of these Yuans to fill the vacancies.

It will be seen that the President of the Republic will be merely the nominal head of the Republic and will have no real executive powers.

The Executive Yuan or Cabinet

It is expressly provided that the Executive Yuan is the highest executive organ of the National Government. It is significant to note that, uniike the Presidents of the other Yuans, the President of the Executive Yuan is not elected directly by the National People's Congress but is appointed by the President of the Republic with the concurrence of the National People's Congress or during its recess, of the National People's Council.

The President of the Executive Yuan, besides being subject to removal by the President of the Republic with the concurrence of the National Congress or the National Council, shall *ipso facto* be relieved of his duties, when a motion of no confidence brought against him by the Legislative Yuan is accepted by the National Congress or National Council or when an impeachment brought against him by the Control Yuan is upheld by the National Congress or Council.

The Legislative Yuan

The Presdient and Vice-President of the Legislative Yuan, it should be noted, will be elected by and from amongst the members of the Yuan, who are elected by the National People's Congress.

The maximum number of members of the Yuan is fixed at 200 and their term of office at three years.

The Legislative Yuan will have power to pass or decide upon bills of legislation, budgets, enforcement of martial-law, amnesties, declaration of war, negotiation of peace, conclusion of treaties and other matters of an international nature.

The Legislative Yuan may address interpellations to the Executive Yuan whenever it is dissatisfied with any political measure taken by the Executive Yuan or the manner in which the latter carries out the Law. In case the replies of the Executive Yuan are considered unsatisfactory, the Legislative Yuan may, by a resolution passed by a majority of two-thirds of its members, bring up a motion of no confidence against the Executive Yuan.

It is also significant that the President of the Republic may, before its promulgation, return a bill passed by the Legislative Yuan for reconsideration. If, however, after reconsideration, the bill is repassed by two-thirds of the members present it shall become law.

The Judicial Yuan

The Judicial Yuan will be composed of the Supreme Court and the Committee for the Disciplinary Punishment of Public Functionaries A significant feature of the draft is that—whereas the power over judicial administration is at the present time vested in the Executive Yuan,—under the draft, the judicial Yuan will have control over both judicial administration and judicial trials.

The draft also provides for the independent administration of justice by judges; and guarantees for security of tenure for the Judges.

The Examination Yuan

The Examination Yuan will have an Official Ministry of Ranking. Its organization and functions will be similar to what they are at present.

The Control Yuan

The Control Yuan will have an Auditing Committee of five members. (There is at present an Auditing Ministry Under the Yuan). The President and Vice-President of the Examination Yuan are to be elected by and from amongst members of the Yuan. The maximum number of the members is fixed at fifty; they are elected by the National Congress.

The Province

The Province is described as an administrative area under the direct jurisdiction of the Central Government. There will be in each province a Provincial Assembly (*Sheng Tsan-I-Hui*) to be composed of one representative each from each Hsien or Municipality to be elected directly by the people.. There will also be a Provincial Government (*Sheng Chang*) to be elected by the Assembly from amongst five candidates nominated by the Central Government.

The Hsien and the Municipality

The Hsien (District) and the Municipality are both units of local self-government and more or less similar in their organization. There will be a District Council (*Hsien I-Hui*) for each Hsien and a Municipal Council (*Shih I-Hui*) for each Municipality, both to be composed of Councillors elected direct by the people. The District Magistrate (*Hsien Chang*) of the Hsien and the Mayor (*Shih Chang*) of the Municipality are also to be elected by the people. The people in the Hsien and Municipality are entitled to exercise the four powers of direct democracy, namely, election, recall, initiative and referendum.

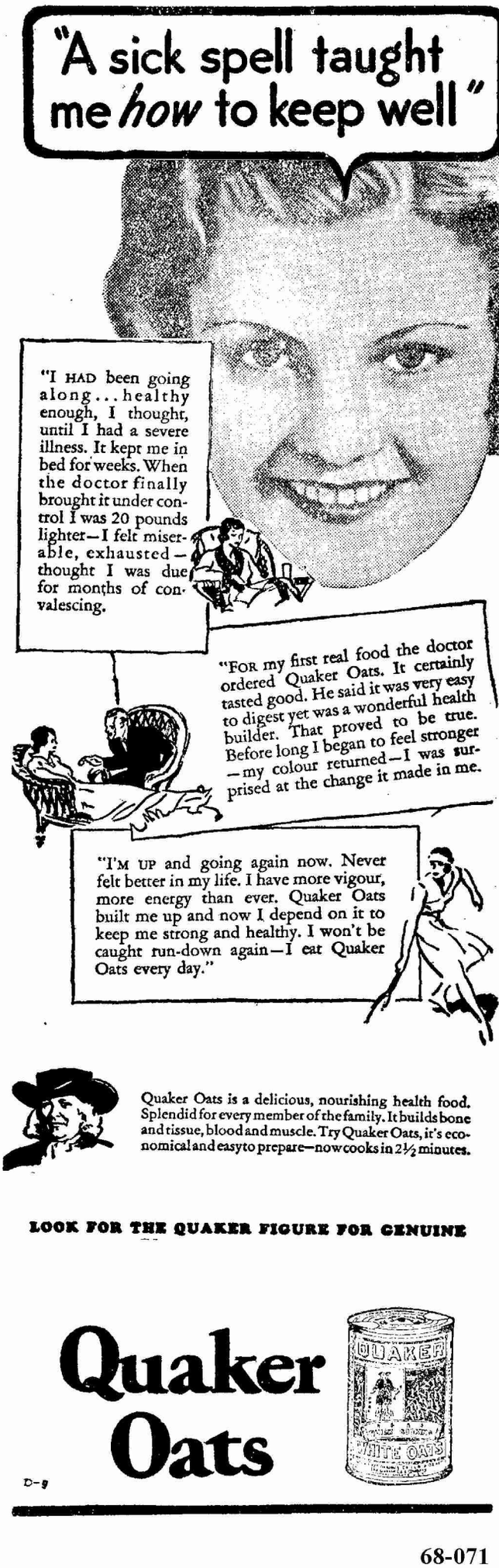
The Annex

In the Annex, it is provided that laws which conflict with the Constitution are invalid.

With regard to the interpretation of the Constitution, it is stipulated that the Legislative Yuan shall first submit opinions as to the interpretation and that the right of final and authoritative interpretation shall rest with the National People's Congress and, during its recess, with the National People's Council.

Amendments to the Constitution must be proposed by one-third of the members of the National People's Congress and passed by three-fourths of the members present at a meeting attended by not less than two-thirds of the entire membership.

The Constitution is to be adopted and promulgated by the National People's Congress.


"A sick spell taught me *how* to keep well"
"I HAD been going along... healthy enough, I thought, until I had a severe illness. It kept me in bed for weeks. When the doctor finally brought it under control I was 20 pounds lighter—I felt miserable, exhausted—thought I was due for months of convalescing.
"FOR my first real food the doctor ordered Quaker Oats. It certainly tasted good. He said it was very easy to digest yet was a wonderful health builder. That proved to be true. Before long I began to feel stronger—my colour returned—I was surprised at the change it made in me.
"I'M UP and going again now. Never felt better in my life. I have more vigour, more energy than ever. Quaker Oats built me up and now I depend on it to keep me strong and healthy. I won't be caught run-down again—I eat Quaker Oats every day."
Quaker Oats is a delicious, nourishing health food. Splendid for every member of the family. It builds bone and tissue, blood and muscle. Try Quaker Oats, it's economical and easy to prepare—now cooks in 2½ minutes.
LOOK FOR THE QUAKER FIGURE FOR GENUINE
Quaker Oats
QUAKER
WHITE OATS
D-9

Hornbeck Reiterates U.S. Far Eastern Policy

The following is the second and concluding installment of the text of an address delivered at the Ninth Conference on the "Cause and Cure of War," at the Washington Hotel, Washington, D. C., January 18, 1934, by Stanley K. Hornbeck, Chief of the Division of Far Eastern Affairs, Department of State, Washington, D. C. The first installment appeared in the Review of March 3, 1934.

In the period of the Taiping Rebellion, Humphrey Marshall, American Commissioner, took the position: ". . . . it is my purpose to perform, punctiliously, every obligation assumed by the United States under the treaty, and to refrain from embarrassing the public administration of Chinese affairs by throwing unnecessary obstacles in the way." The American Government was of the same mind: its policy became that of respecting China's sovereignty and helping the Chinese authorities to maintain the integrity of the Empire.

Shortly thereafter, although Americans in China, including officials, merchants and some missionaries, urged that the United States cooperate with certain other countries in the use of force against Imperial China, the American Government refused to do so with China. Sixty years later, in 1927, this country declined to take part in a proposed joint show of force by several powers in support of demands upon the newly created Nationalist Government of the Republic of China.

In 1868, in the so-called Burlingame Treaty, for the negotiation of which the Chinese Government had chosen as its plenipotentiary a distinguished American, the American Government expressly agreed that the sovereign rights of China and the principle of equal opportunity "in trade or navigation within the Chinese dominions" were to be respected.

It remained for John Hay to formulate in 1899 the proposal that, in reference to their "spheres of interest" in China, the Powers should follow, with regard to each other and to the world in general, the principle of equality of commercial opportunity; and to suggest in 1900 that the Powers pledge themselves to respect China's territorial and administrative entity.

In September and November, 1899, Hay, then Secretary of State, sent to the diplomatic representatives of the United States at London, Paris, Berlin, St. Petersburg, Tokyo, and Rome, instructions to advise the governments to which they were respectively accredited of the hope that they would make "formal declaration of an 'open door' policy in the territories held by them in China." Certain express pledges of self-denial were sought. In due course favorable replies were received from all the governments addressed. Having in hand and having compared the replies, Hay, on March 20, 1900, sent instructions to each of the above-mentioned representatives of the United States to inform the government to which he was accredited that, inasmuch as it had accepted the declaration suggested by the United States and as like action had been taken by all the various powers concerned, the condition of common acceptance having been complied with, the United States Government would consider the assent given as final and definite. In other words, Mr. Hay declared that in his opinion each of these six powers had entered with the United States into a mutual declaration of intention to preserve the commercial status quo in China and to refrain, each in what might be its sphere of interest, from measures calculated to destroy equality of commercial opportunity.

Hay's Note on the Boxer Movement

But there was more to follow. In the spring of 1900 the Boxer Movement threw the affairs of China and the possibilities as to her immediate future into the melting pot. While the attack on the legations was still in progress, Hay, on July 3, 1900, sent a circular telegram to the diplomatic representatives of the United States at eleven capitals, declaring:

> "In this critical posture of affairs in China it is deemed appropriate to define the attitude of the United States as far as present circumstances permit this to be done. We adhere to the policy initiated by us in 1857 of peace with the Chinese nation, of furtherance of lawful commerce, and of protection of lives and property of our citizens by all means guaranteed under extraterritorial treaty rights and by the law of nations. If wrong be done to our citizens we propose to hold the responsible authors to the uttermost accountability. We regard the condition at Peking as one of virtual anarchy, whereby power and responsibility are practically devolved upon the local provincial authorities. So long as they are not in overt collusion with rebellion and use their power to protect foreign life and property, we regard them as representing the Chinese people, with whom we seek to remain in peace and friendship. The purpose of the President is, as it has been heretofore, to act concurrently with the other Powers; first, in opening up communication with Peking and rescuing the American officials, missionaries, and other Americans who are in danger; secondly, in affording all possible protection everywhere in China to American life and property; thirdly, in guarding and protecting all legitimate American interests; and fourthly, in aiding to prevent a spread of the disorders to the other provinces of the Empire and a recurrence of such disasters. It is of course too early to forecast the means of attaining this last result; but the policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly Powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire.
>
> "You will communicate the purpose of this instruction to the Minister for Foreign Affairs. "HAY."

In that note we have mention of "attitude," "policy," "purpose" and "means." The basic principles in that statement were (1) protection of American lives, property and legitimate interests; and (2) respect for the territorial and administrative integrity of China. Could one find a more succinct statement—in terms applicable not only to the situation and problems of that moment but to a progressively troublesome situation and an enduring problem?

In various ways each of the powers addressed indicated or intimated that it intended to be governed by the same or similar principles.

The "Hay Notes" thus carried a step further the idea which had been expressed by representatives of the American Government from time to time during a period of sixty years preceding. Also they added an idea, that of cooperation among the powers in a course of self-denial and self-restraint in pursuance of those principles. And they committed to these principles the United States and those of the other principal Powers most concerned.

c. Twenty-two years after the Hay Notes, there came action whereby there were given to some of the fundamental principles of the Far Eastern policy of the United States greater definition and more positive general subscription. At the Washington Conference, with the American Government playing a leading part and its Secretary of State, the present Chief Justice, Mr. Hughes, wielding a great influence, the Powers principally concerned committed themselves in formal treaties and resolutions to certain prescribed courses of action, some positive and some negative, in regard to the Far East and the Pacific Ocean.

In one of these, the "Treaty relating to Principles and Policies concerning China," we find in the Preamble a statement that the nine countries engaged in conference, "Desiring to adopt a policy designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other Powers upon the basis of equality of opportunity; Have resolved to conclude a treaty for that purpose . . . " In the articles of the treaty we find a solemnly concluded multilateral pledge on the part of the United States and (now) thirteen other powers to respect China's integrity, to foster the principle of equality of commercial opportunity in China, and to practice self-denial and self-restraint in relations with China.

In 1931 and 1932 another Administration, that of President Hoover, vigorously championed the spirit and the letter of the pledges made in 1922. Whatever may be the analyst's view of the strategy and tactics which that Administration employed, the statement of the Secretary of State, Mr. Stimson, in declaration and exposition of the views and objections of the United States, made public in the letter in reply to an inquiry from Senator Borah, based in considerable part on the Washington Conference treaties and another treaty of later date, was widely approved in this country and evoked very favorable comment abroad.

d. Now, to another Chapter. In the period between 1922 and 1931, statesmen of this and other countries had brought into existence a comprehensive multilateral agreement, the Pact of Paris, the "Peace Treaty" of 1928, to which sixty-three states are now parties.

In this treaty we have an enunciation of a new principle, a declaration by the governments of the world, "in the names of their respective peoples," condemning recourse to war for the solution of international controversies and renouncing it as an instrument of national policy; together with an agreement that the settlement or solution of all disputes or conflicts which may arise among the parties shall "never be sought except by pacific means." What does this combined declaration, renunciation and pledge mean?

First of all, the text of that treaty must be viewed not by itself but in connection with the explanations made by or exchanged among the negotiators and with the reservations made by various governments in giving their ratifications. Already hundreds of articles and several whole volumes have been written in comment upon and exposition of the two substantive articles of this Pact.

This much is certain: The tendency in this country is to take this Treaty seriously. The desire for peace is generally prevalent in this country. The wish to see the spirit of the Kellogg Pact prevail, together with the fact that we are favorably circumstanced, will probably render this country comparatively "strict" in its interpretation and application of its obligations under this Pact. It may

be assumed that the people of this country will not lightly resort to or approve of "war" or use of force in ways approximating war. It may further be assumed that they will be adversely disposed toward any proposals tending toward involving this country in commitments contemplating use of force.

Speaking of the proposal to add sanctions to the Pact of Paris, President Hoover said, on April 14, 1930: "The nations of Europe, surrounded by the dangers and problems of which we in the Western Hemisphere have but little appreciation, and beset by inherited fears, hold to the view that, aside from the World Court, the pacific settlement of controversies and the maintenance of peace should be backed by potential coercion through pooling of either military or economic strength. We do not question their right to come to such conclusions as they see fit to follow, arising as they do from their terrible experience and their necessities. But the instinct of the vast majority of our people is that our contribution is not to be based upon commitments to use force to maintain peace . . . . We have come to the belief that our contribution can best be made by our good offices and a helpfulness based upon independence from any combination pledge to use force. I believe it is clear that the United States can more effectively and wisely work for peace without commitments to use coercion to enforce settlements."

e. But what and how, if and when other countries choose to pursue courses which contravene what we consider to be our rights under the provisions of the Pact of Paris or other treaties?

For one answer to that question turn to a group of diplomatic communications and see a declaration of attitude, a policy, a doctrine in the making.—I refer to the evolution of the so-called "doctrine" of "non-recognition." I shall not go into that subject,—for I understand that it has a place at another point in your program. I need only, for present purposes, call attention to the fact that the formula of non-recognition has been employed by the American Government on several occasions, by several Administrations, and in connection not only with developments in the Far East but with developments in Latin America. This formula gained world-wide attention when it was invoked in the identic notes addressed by the American Government to the Chinese and the Japanese Governments on January 7, 1932, in connection with developments in Manchuria. Soon thereafter it was seized upon by the League of Nations, and it has been made by it the basis of several expressions of the attitude and intent of the League toward the use of force and situations brought about thereby.

Evidence in the field of action during the past year indicates that both the United States and the members of the League are acting —the type of action being that of refraining from certain acts—in conformity with the "non-recognition" formula and the declarations of intent which have attended its affirmation.

f. Turning to the question: What is the attitude of the United States with regard to the League of Nations? I am convinced, on the basis of considerable study of that question, that an adequate working conception can be gained by careful perusal of official correspondence made public during the past three years and of recent public utterances of President Roosevelt. In these there is evidence of the thought that the United States is willing and happy to cooperate with the League in pursuance of common objectives but acting independently and through its own agencies thus avoiding involvement of this country in the functioning and processes of the League as such.

g. Now let us look at certain statements and acts of the present Administration.

g-1. In his inaugural address on March 4, 1933, President Roosevelt touched upon foreign policy in a paragraph which reads:

> "In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

g-2. In an address delivered on Pan American Day, April 12, 1933, President Roosevelt referred to the statement in his inaugural address with regard to "the policy of the good neighbor" and continued:

> Never have the need and benefit of neighborly cooperation in every form of human activity been so evident as they are today.
>
> "Friendship among nations, as among individuals, calls for constructive efforts to muster the forces of humanity in order that an atmosphere of close understanding and cooperation may be cultivated. It involves mutual obligations and responsibilities, for it is only by sympathetic respect for the rights of others and a scrupulous fulfillment of the corresponding obligations by each member of the community that a true fraternity can be maintained.
>
> . . . . .
>
> "Your Americanism and mine must be a structure built of confidence, cemented by a sympathy which recognizes only equality and fraternity. It finds its source and being in the hearts of men and dwells in the temple of the intellect."

g-3. On May 16, 1933, President Roosevelt addressed directly to the heads of all countries a circular telegram, the opening sentence of which reads:

> "A profound hope of the people of my country impels me, as the head of their government, to address you and, through you,

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the people of your nation. This hope is that peace may be assured through practical measures of disarmament and that all of us may carry to victory our common struggle against economic chaos.

There are in that message statements of theory, statements of fact, and suggestions for a common course of action. Scrutiny of that message suggests that the people of the United States, President Roosevelt being now their spokesman, feel that the nations of the world must "supplement individual domestic programs for economic recovery, by wise and considered international action;" feel that world peace is desirable; feel that disarmament will contribute toward the achievement of world peace; feel that the conference method is the practical method by which to proceed; feel that the use of force in international relations should be restricted to use in self-defense; feel that the nations should be committed to such a restriction; and feel that international cooperation is desirable and can be brought about.

g-4. On October 10, 1933, President Roosevelt sent a communication in the form of a letter to Mikhail Kalinin, President of the All Union Central Executive Committee, Moscow. On October 17, president Kalinin replied. On November 16, 1933, in Washington, there were exchanged between the President of the United States and Maxim M. Litvinoff, People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics, a group of communications, in one of which President Roosevelt stated:

"I am very happy to inform you that as a result of our conversations the Government of the United States has decided to establish normal diplomatic relations with the Government of the Union of Soviet Socialist Republics and to exchange ambassadors."

The communications exchanged in this connection should be read and scrutinized by all who wish to understand the broad implications of the dedication of this country to the "policy of the good neighbor."

g-5. In President Roosevelt's Thanksgiving Proclamation, this year, there appears the following paragraph:

"May we recall the courage of those who settled a wilderness, the vision of those who founded the Nation, the steadfastness of those who in every succeeding generation have fought to keep pure the ideal of equality of opportunity and hold clear the goal of Mutual help in time of prosperity as in time of adversity."

g-6. On November 24, President Roosevelt issued from Warm Springs, Georgia, a statement with regard to Cuba. Among other things he said:

". . . . we have followed the course of events in Cuba with a most friendly concern and with a consistent desire to be of help to the Cuban people.

". . . .

". . . . We feel that no official action of the United States should at any time operate as an obstacle to the free and untrammeled determination by the Cuban people of their own destinies.

'We have been keenly desirous during all this period of showing by deed our intention of playing the part of a good neighbor to the Cuban people . . .

". . . . the Government of the United States . . . . will welcome any provisional government in Cuba in which the Cuban people demonstrate their confidence . . . ."

g-7. On the same date, November 24, 1933, the Secretary of State, Mr. Hull, in a statement made upon his arrival at Rio de Janeiro, said, among other things:

"Peace must be our passion. Its cost cannot be too great in the light of the frightful cost of war . . . . So we must take stock of all our blessings in this favored part of the world . . . . and bring them to bear, by united efforts, to help right a topsyturvy civilization . . . . By being the best of good neighbors let us offer the finest possible example for a jaded and disillusioned world."

g-8. At the Montevideo Conference, on December 19, 1933, there was introduced a proposal declaring: "No state has the right to intervene in the internal or external affairs of another." The American Delegation voted in favor of this along with other proposals, subject to the terms of a statement and declaration in which Secretary of State Hull said, in part:

"The Policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially since March 4. . . . . Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty or other internal affairs or processes of the governments of other nations.

". . . . the United States Government in all of its international associations and relationships and conducts will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this Conference and in the law of nations as generally recognized and accepted."

g-9. In his address before the Woodrow Wilson Foundation on December 28, 1933, President Roosevelt said, in part:

"In that speech in Mobile, President Wilson first enunciated the definite statement 'that the United States will never again seek one additional foot of territory by conquest.' The United States accepted that declaration of policy. President Wilson went further, pointing out with special reference to our Latin American neighbors that material interests must never be made superior to human liberty.

". . . . .

"It therefore has seemed clear to me as President that the time has come to supplement and to implement the declaration of President Wilson by the further declaration that the definite policy of the United States from now on is one opposed to armed intervention.

". . . . . It is only if and when the failure of orderly processes affects the other nations of the continent that it becomes their concern; and the point to stress is that in such an event it becomes the joint concern of a whole continent in which we are all neighbors.

". . . . .

"Today the United States is cooperating openly in the fuller utilization of the League of Nations machinery than ever before.

"I believe that I express the views of my countrymen when I state that the old policies, alliances, combinations and balances of power have proved themselves inadequate for the preservation of world peace. The League of Nations, encouraging as it does the extension of non-aggression pacts, of reduction of armament agreements, is a prop in the world peace structure.

"We are not members and we do not contemplate membership. We are giving cooperation to the League in every matter which is not primarily political and in every matter which obviously represents the views and the good of the peoples of the world as distinguished from the views and the good of political leaders, of privileged classes or of imperialistic aims.

". . . . .

"I have said to every nation in the world something to this effect:

(At this point the President repeated certain of the suggestions which he had made in his circular telegram of May 14, 1933, to the heads of states. He suggested elimination of weapons of offense and a general declaration that "no nation will permit any of its armed forces to cross its own borders into the territory of another nation." And he continued:

"3. It is clear, of course, that no such general agreement for the elimination of aggression and of the weapons of effensive warfare would be of any value to the world unless every nation, without exception, entered into the agreement by solemn obligation.. If then such an agreement were signed by a great majority of the nations on the definite condition that it would go into effect only when signed by all the nations, it would be a comparatively easy matter to determine which nations in this enlightened time are willing to go on record as belonging to the small minority of mankind which still believes in the use of the sword for invasion of and attack upon their neighbors.

"I did not make this suggestion until I felt assured, after a hard-headed practical survey that the temper of the overwhelming majority of all men and women in my own country as well as those who make up the world's population, subscribes to the fundamental objective I have set forth and to the practical road to that objective . . . ."

g-10. In the course of his meassge to Congress on January 3, 1934, President Roosevelt said:

"The delegation representing the United States has worked in close cooperation with the other American republics assembled at Montevideo to make that conference an outstanding success. We have, I hope, made it clear to our neighbors that we seek with them future avoidance of territorial expansion and of interference by one nation in the internal affairs of another. Furthermore, all of us are seeking the restoration of commerce in ways which will preclude the building up of large favorable trade balances by any one nation at the expense of trade debits on the part of other nations.

"In other parts of the world, however, fear of immediate or future aggression and with this the spending of vast sums on armament, and the continued building up of defensive trade barriers, prevent any great progress in peace or trade agreements. I have made it clear that the United States cannot take part in political arrangements in Europe but that we stand ready to cooperate at any time in practicable measures on a world basis looking to immediate reduction of armaments and the lowering of the barriers against commerce."

Summary

In the light of this survey, it seems to me possible to suggest that the outstanding principles of American foreign policy in general, and therefore of our policy in relation to the Far East, are substantially as follows:

(a) In regard to rights and obligations, respect for the rights of other states and peoples—with expectation of respect by them

for our rights; and performance of our obligations toward other states—with expectation of performance by them of their obligations toward us;

(b) In regard to American nationals and interests abroad safeguarding of life and protection and promotion of legitimate interests—by lawful, appropriate and practicable methods;

(c) In the field of political method, abstention from action and from commitments involving or tending to involve the United States in situations, controversies or conflicts in which the rights, obligations and interests of this country are not at stake; but co-operation with other powers when and where, for the safeguarding of a common interest or toward attainment of a common objective, cooperation seems appropriate, practicable and lawful;

(d) In the field of diplomatic endeavor, reliance upon processes of discussion, negotiation, agreement, arbitration and adjudication;

(e) In the field of military action, use of force only for the purpose of preventing or combating unlawful use of force by others imminently imperilling the lives and legitimate interests of American nationals or the integrity of American soil, and then only under authority of and as prescribed by law—including national and international law and treaties and recognized common convention;

(f) In all connections, conscious and constant effort to be a "good neighbor."

"ARMY-NAVY ALIENATION" MOVEMENT IS EXTENSIVELY PREVALENT THROUGHOUT JAPAN

(*Continued from Page 56*)

despotic administration do not conform with Japan. That the intelligent class of our country has antipathy against the advance of the military is because the despotic politics as contemplated by the military brings oppression upon all classes of the people. (*Toyama Nippo*, Dec. 8, 1933).

Yadanji Nakajima (中島彌團次), *M. P.* (at the Public Hall of Utsunomiya, Nov. 19): Soldiers died on the battle field during the Sino-Japanese and Russo-Japanese Wars in great number, but no commander of the army died on the battle-field except General Shirakawa. Contrary to this tendency in military-dom, a number of political leaders and Premiers were assassinated. That military officers, who ought to guide the rest of the army, should have killed the Premier is a most regrettable incident; it smeared mud on the traditional Japanese bushido (chivalry). The decision of the court, hard on the civilian defendants while lenient toward the military ones, indicates how judicial power is impotent. The military circle says the conclusion of the London Treaty is a case of the violation of the supreme command, but the fact is that the navy leaders' understanding had been secured. The military, calling out loud the possible advent of a crisis in consequence of the Sino-Japanese trouble, withdrawal from the League of Nations and other affairs, demands an astoundingly big estimate. However, since war with America or Soviet Russia would deal a severe economic blow upon our country, all causes likely to foster any disaster ought to be eliminated by means of diplomatic activities. Accordingly, there is no prospect of a war breaking out in the near future. The depressed state of our financial circle may make it indispensable to raise funds for national defense by floating loans, but state defense that undermines national economy is not true national defense but national destruction. (*Kaiten Jibo*, January number).

Nanking Committee Deliberates on Commercial Treaties with Britain and America

The commercial treaties committee recently created by the Ministry of Industries held meetings during this week, paying special attention to questions between China and the United States and Britain, as the commercial treaties with these two countries have expired. The committee's findings will be submitted to the Foreign Office for consideration.

Revised Terms for Local Autonomy in Mongolia

A new set of general principles governing Local Autonomy in Inner Mongolia was adopted by the Central Political Council March 5. They have been unanimously accepted by the Mongolian delegates now in Nanking. The new terms are considered to be consistent with the actual realities of the situation in Mongolia. Interviewed in this regard, a Mongolian spokesman expressed, on behalf of the Mongolian population, sincere gratitude for the Government's solicitude for Mongolian interests. These revised principles provide for the establishment of a Mongolian Local Autonomy Political Affairs Committee to control affairs of the various Mongolian Leagues and Banners. The Committee is, in principle, to be composed exclusively of Mongolian members. A Special Commissioner is, however, to be appointed by the Central Government to direct the Committee. The organization of the various League governments is to remain as heretofore.

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Gen. Chiang Scoffs at Proposal to Revive 'Tsung-Li' System

Initiated by a petition of the Kuomintang organs in North China to the Central Party Headquarters urging reorganization of the Kuomintang and election of Gen. Chiang Kai-shek as 'Tsung-Li' of the Party, a rumour has been current, emanating from Hongkong and elsewhere that the Kuomintang is contemplating a dictatorship and Gen. Chiang Kai-shek will become the dictator. This rumor which has become widespread recently has gained the ear of Gen. Chaing and provoked from him an important statement, denying that there is any truth in the report. The following is an authorised translation of the statement by Gen. Chiang as circulated by the *Chekiai* agency:

"No intelligent person would give credence to this rumour that the Kuomintang is creating a dictatorship. The primary duty of party members is to fully obey the party constitution and the constitution cannot be changed at the will of the minority. In view of this fact, the above rumour is so ridicuouls that it will defeat its own purpose without any denials. I have repeatedly pointed out that the success of the Chinese Revolution does not necessarily depend on any one system or form of government. Italy and Germany, it is true, accomplished their revolution by dictatorship, but, if on the strength of this, China were to adopt dictatorship, would the result be more successful than our former adoption of the Russian committee form of government? We adopted the Russian system and today our revolution is not yet realized. Why? Because success is dependent on the people and not on the systems or forms. Revolution begins with the heart. Let our leaders unite their efforts and work towards a common goal; thus only can our apparent failure be turned into victory. Dictatorship or committee system: the realization of our revolution does not depend on outward form but in the inner spirit. Furthermore, let us remember that the conditions obtained in Italy and Germany are not those in China and what was successful in those two countries would not necessarily be suitable in China."

The proposal for the reorganization of the Kuomintang and the election of Gen. Chiang as 'Tsung Li' was first made by the Kuomintang offices in Hopei on Feb. 28. The Kiangsu Provincial Party Headquarters on the following day, March 1, submitted a similar petition to Nanking. On March 2, a spokesman of the Central Party Headquarters made an important statement to the effect that the present committee system might have been good several years ago, but may not be suitable today. He suggested that the Kuomintang authorities consider the reorganization proposal and that a responsible man be elected as 'Tsung-Li' of the Party. The term 'Tsung-Li' means simply head or supreme director of the Party. This post was first held by Dr. Sun Yat-sen who as such had absolute power in directing the affairs of the Party. After the death of Dr. Sun, it was abolished and the committee system adopted. The present movement among the Kuomintang members for the revival of the system, according to reports from various sources, aims at centralizing the power in the control and direction of party affairs in one supreme authority and at electing Gen. Chiang Kai-shek as that authority.

The advocates of the reorganization scheme suggested to have election carried out by the convocation of a National Party Congress, which is the highest authority of the Kuomintang. According to the party constitution, the Congress has the right to revise the constitution. After the Congress is convened and the delegates decide upon the reorganizations of the Party and revision of the constitution, Gen. Chiang's election will be legal in accordance with the constitution of the Party.

Commenting on the above proposal, the *China Times* on March 5 said among other things:

"Gen. Chiang's statement issued from Nanchang could be interpreted as saying that while he is opposed to the reorganization, he will not however refuse to be elected 'Tsung-Li' ,if it is carried out through proper procedure. He also means that when his election is carried out according to the Party Constitution, no one in the Party can oppose it. However, we see very little reason for the reorganization. The Kuomintang members demand the reorganization because they think that only dictatorship can save China. They are much moved by the successes of the Fascists in Italy and the Nazis in Germany. But they must realize that China's position is different from that of Italy or Germany. What the Kuomintang needs today is unity among Party leaders, and not dictatorship. In the present circumstances, the reorganization of the Party would only precipitate further dissensions within it. Therefore, we can hardly understand how the re-adoption of the 'Tsung-li' system can benefit the Party."

Deprecating the proposal of the restoration of the 'Tsung-Li' system, the *Central China Daily News* in an editorial on March 5 querried in a forcible manner that if Dr. Sun Yat-sen, as founder of the Kuomintang commanding high esteem of all the Kuomintang members as well as that of the general public, could not exercise dictatorship during his life time, who else can? After pointing out the differences of condition in China, and that in Italy and Germany where dictatorship is needed because of lack of definite principles and constant changes in polictis, the paper said:

"The Kuomintang is the only political party in China today. Although there has been much internal strife within the party during the past few years, it has been definitely different in nature from the party struggles in Italy and Germany. So the question with the Kuomintang today is not whether the 'Tsung-Li' system should be adopted, but of how the Kuomintang should be strengthened and better unified."

Interviewed at Shanghai March 6 by the press, Yeh Tsu-chang, Chief Secretary of the Central Party Headquarters, declared that there is no truth in the reported restoration of the "Tsungli" system by the Kuomintang. He said that the statements made by a few Kuomintang members in North China could not be taken to represent the views of the Party. The Central Party Headquarters has already wired to these Party members concerned strongly admonishing them for making such proposals, he added.

Nanking Envoy Concludes Talk With Gen. Chen Chi-tang at Canton

Gen. Chiang Ting-wen, Commander-in-Chief of the Government Bandit Suppression Forces in the five Southwestern Provinces, who had been visiting Canton since the successful conclusion of the Punitive Campaign against the 19th Route Army, concluded his talk with Gen. Chen Chi-tang, the Commander-in-Chief of the Kwantung Forces, and returned to Among on March 2.

Interviewed prior to his departure, the Nanking commander declared that his discussions with the Cantonese leaders had produced satisfactory results.

He said an understanding had been reached for a joint drive by Nanking and Canton troops against the Reds. He also confirmed the report that the Nanking forces had already taken over Lungyen and that the Cantonese had withdrawn to the Kwangtung border, thus eliminating all possibility of fresh developments.

Gen. Chiang, following his return to Fukien, left Amoy on Mar. 4 for Nanchang to report to Generalissimo Chiang Kai-shek his recent conference with General Chen in Canton.

General Chiang mapped out comprehensive plans with General Chen regarding the suppression of bandits, according to which, the Kwangtung army is to clear up the bandits in Southern Kiangsi within three months.

It is stated that General Chen Chi-tang will send Lin Yi-chung, his chief-of-staff, to Nanking to ask for a sum of $15,000,000 to finance the Kwangtung forces in the suppression of bandits.

Yang Yung-tai, chief secretary to General Chiang Kai-shek, telegraphed Canton March 3, denying the rumor current in Canton that the Government contemplated appointing him governor of Kwangtung.

General Chiang Kai-shek issued an order on March 4 that all irregular troops in Fukien must be reorganized.

Tibetan Troops Renew Hostilities in Sikong

According to information from political sources received at Nanking March 4, a large number of Tibetan troops have made a forced crossing of the Kinsha River and fighting has again broken out along the river between theTibetan and Chinese forces. Tehkeh, a city on the east bank of the River, is said to have been surrounded by the Tibetans and serious fighting is going on in that region. The Government has received urgent telegrams from both the provincial government of Chinghai and from General Liu Wen-huei in Kikong reporting on the fresh Tibetan outbreak.

In spite of the denials made by the Monglian and Tibetan Affairs Commission, General Liu Wen huei has sent another urgent telegram to Nanking reporting that a group of 500 armed Tibetan troops crossed the Tientung River early this mouth and lanunched a vigorous attack on Tehkeh with the co-operation of the 1,000 armed Lamas of the Tachin Monastery in Sikong. General Liu reports that although his troops are still holding Tehkeh, but they are greatly outnumbered and short of ammunition and therefore cannot be expected to hold the city indefinitely unless reinforcements are rushed to their assistance.

Fear is expressed in official circles that if the Tibetans insist on fighting at this moment, the Sikong troops may be compelled to evacuate some of the cities along the Kinsha River owing to the difficulty in sending reinforcements from Szechueh. Formerly the Sikong troops counted on the assistance of the Chinghai troops, but now the Chinghai troops have been rushed to Ninghsia to assist General Ma Hung-kwei, thereby leaving the Sikong forces to fight the battle single haded.

The Mongolian and Tibetan Affaris Commission has sent an urgent telegram to the Tibetan authorities instructing them to suspend military operations and to await settlement by the Central Government.

Gen. Sun Fights and Negotiates His Way into Ninghsia

Gen. Sun Tien-ying, the rebel leader in the Northwest, who has been attacking Ninghsia for the past two months, is continuing his tactics of fighting and negotiating at the same time in his invasion of Ninghsia despite the pressure brought to bear on him by forces of the Northwest under command of Gen Chu Shao-liang, Chairman of Kansu, and the joint expedition of the-

Shansi and Suiyuan Armies. While he continues to push advance of his Army into Ninghsia and also creates disturbances in Kansu, he is in the meantime negotiating with Gen. Ho Ying-ching, Chairman of Peiping Branch Military Commission, for cessation of hostilities and his retirement from the Army.

According to a *China Press* dispatch from Peiping on March 4, Gen. Sun has again expressed his willingness to give up his command of the rebel Army in his conference with Li Min, Peiping peace enroy, at Chenkow, Ninghsia. Fu Chan-kwei, the chief envoy sent by the Peiping authorities, has reached Lingho and is proceeding to Chenkow for a final meeting with General Sun at which the reorganization of the rebel army and the future position of General Sun will be discussed.

Meantime, the Shansi armies are advancing westewrd and will commence operations if General Sun fails to leave his army in accordance with the order. The vanguards of the Shansi troops have now reached Shanshunkung.

Mongols Satisfied With Revised Antonomy Draft

Wang Ching-wei, President of the Executive Yuan, received Mongol delegates on March 1 and discussed details for revising the Mongolian Autonomy Scheme adopted at a recent meeting of the Central Political Council.

It is understood that the Mongol delegates are satisfied with the new scheme outlined by Mr. Wang, by which the Mongolian Autonomous Poiltical Council will be set up under direct control of the Executive Yuan.

The new scheme also gives assurance that existing Mongol institutions will be maintained and that no further reclamation of Mongol pasture land will be permitted, except with the approval of the Tribes concerned.

Following the adoption of the revised regulations, a Mongolian Autonomous Political Council will be formed shortly in Inner Mongolia. Prince Yun of Chahar has been appointed Chairman of the Council with all the Princes of Inner Mongolia as members. General Ho Ying-ching, Chairman of the Peiping Military Council, will be appointed Supervisor and adviser to the new Council, it is learned.

The revised general regulations provide for the establishment of a Mongolian Local Autonomy Political Council to control affairs of the various Mongolian Leagues and Banners. The Council is, in principle, to be composed exclusively of Mongolian members. A Special Commissioner is however to be appointed by the Central Government to direct the Council. The organization of the various Leagues governments is to remain as heretofore.

The new terms are considered to be consistent with the actual realities of the situation Mongolia.

New British Minister Presents Credentials at Nanking

Sir Alexander Cadogan, the new British minister to China, proceeded from Shanghai to Nanking beginning of the week. Sir Alexander was accompanied by Sir Eric Teichman, secretary to the British legation, E.M.B. Ingram, legation councillor, A. Holman, first secretary of the legation, and W. G. Aldington, secretary to Sir Alexander. He presented his credentials to Lin Sen, chairman of the National Government March 6. He was scheduled to leave Nanking March 10 on the British gunboat *Cockchafer*, and due to return Nanking on March 16.

The ceromony of presenting the credentials was a brilliant affair. A guard of honor was posted inside the gate of National Government House and, for the first time on such occasions, President Lin wore the Grand Decoration of the Order of the Brilliant jade, which was recently instituted.

Mayor Wu Te-chen, accompanied by his secretary, proceeded to the British Consulate General in Shanghai March 3 and returned a call made the day before by Sir Alexander and Sir John Brenan at the new Civic Center.

Chinese Emigration Authorities Debar American Ex-Convict from Landing

Paul S. Crawley, the American citizen who first introduced American-made ice-cream to Shanghai, who recently completed a sentence at McNeill's Island Penitentiary after being convicted by the U.S. Court for China of smuggling opium into the United States, was refused permission to land in Shanghai by the Chinese immigration authorities when he arrined here from Japan last week on a Japanese steamer. The ostensible reason given was that his passport was not in order, but it was also explained that under the regulations an ex-convict could not be allowed to land. He was put on board the Dollar liner *President Grant* by the Chinese police, March 6, bound for Seattle.

"The Seaboard Route to the North"

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Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Choser (Korean) and Imperial Japanese Government Railways. At Peping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

TIENTSIN

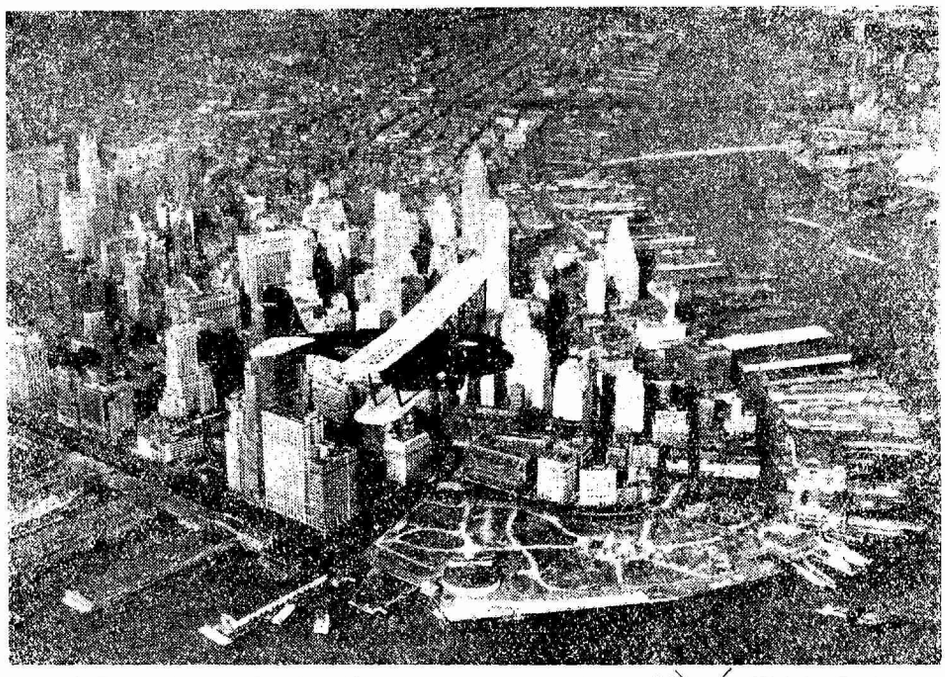
An Advertisement of the Chinese Government Railways

No. 2

68-077

Commander Hawks Arrives Here with Giant Condor Plane

Commander Frank Hawks, U. S. N. R. arrived in Shanghai March 6 on the Dollar liner *President McKinley* with a Curtiss-Condor bombing plane of a type never brought to China before. His plane is equipped with two 700-horse power cyclone engines, three machine guns and 2100-pound bombs. Among Commander Hawks exploits was a recent flight from Los Angeles to New York, a distance of 2,440 miles in 13 hours and 23 minutes. During the greater part of the trip he used a robot automatic pilot and kept to an attitude of 15,000 feet, making an average speed of 181 miles an hour. The Curtiss-Wright Corporation is represented in China by William Pawley.



A Curtiss-Wright Condor, 15 passenger transport powered by two Wright Cyclone 700 horsepower engines, of Eastern Air Transport, flying over New York City.

The Curtiss-Wright Condor passenger plane has a top speed exceeding 170 miles an hour and an average speed of 150 miles per hour. The Condor has a gross weight of eight and a half tons and carries a payload of 3200 pounds. This payload includes 15 passengers, 450 pounds of baggage and express and 200 pounds of mail. The new Condor is equipped with a retractable landing gear which may be operated electrically or by hand. Notwithstanding its fast cruising speed the Condor lands at a speed of less than 50 miles an hour. Thirty-one of these new transports have been ordered to date, 9 by Eastern Air Transport, to be used on their line between New York, Washington, and Miami, 19 by American Airways, for their run between New Yo k and Chicago, 2 by the U.S. Army Air Corps for executive use, and one by Admiral R. E. Byrd, in which he expects to fly over the South Pole. All parts of the plane are readily accessible for inspection and maintenance. Batteries may be changed in less than a minute without using any tools. The two way radio unit can be replaced in two minutes, and the entire Wright Cyclone engine unit can be replaced in less than two hours. The new Condor may be properly described as a high speed, comfortable, economical transport having the lowest operating cost per seat mile of any multi-motored transport plane in the world.

World's Fastest Four Engined Plane Built in England

The world's fastest four-engined air-liner has just passed its official Air Ministry flying trials in England. The machine, which is a biplane and has a top speed of over 170 miles an hour, has been built by the de Havilland Company for Imperial Airways and will be offered in their tenders for extension of the Empire airmail from Singapore to Port Darwin and thence to the terminal at Cootamunda. Its 200 horse-power engines are arranged, two on each side of the body, in which there is accommodation for ten passengers.

America to Supply Russia with Airplanes

The Japanese *Information Bureau* service (Tientsin, Feb. 27) states that according to various reports Soviet Russia has been planning to send many airplanes and a large quantity of arms and ammunition to her Far Eastern territory, same to be bought in the United States. Negotiations have been going on for some time between Moscow and the American Aerounatical Corporation, according to which more than U.S. $2,000,000 worth of airplanes and accessories will be purchased in the United States. A large airplane factory is also to be built in Russia, for which a number of American engineers are to be engaged.

Investigation Ordered Into U.S. Air Mail Crashes

President Roosevelt March 3 ordered an official investigation into charges of sabotage against the U.S. Army Air Service, whose attempt to operate the American air mail service resulted in six planes crashing and their pilots being killed during the first week of operation under military control.

Canton's Air Force Being Strengthened

General Chen Chi-tang is developing a strong air force in Kwangtuug. According to information from military sources, General Chen has now more than 200 machines under his direct command. Of these planes, 80 are military pursuits, 80 bombers, 40 scouting machines and a number of planes for training purposes. He also has about twenty anti-aircraft guns, four of which have electric controls. All these guns were purchased at the time when the Japanese were invading Jehol.

Up to March 3 the total subscriptions received and deposited in the Central Bank by the National Commission for the Promotion of Aviation amounted to about $2,000,000, according to a spokesman of the Commission.

French Aviator Makes Second Trip to Shanghai

Mlle. Maryse Hilz, French woman aviator accompanied by her mechanic, glided her Breguet plane to a perfect landing at Hungjao, Shanghai air field. on the afternoon of March 2. She had left Swatow at 10 o'clock the same morning on another stage of her flight from Paris to Tokyo. This was her second visit to Shanghai. She reached Tokyo Mar. 6.

U. S. House of Representatives to Investigate Airplane Profits

The House of Representatives Mar. 2 approved a resolution to investigate purchases made by the War Department under the Administration of former President Hoover. Preliminary investigations by the House Committee had revealed that some companies had made profits as high as 500 per cent. upon contracts for airplanes and airplane motors sold to the Government.

Douglas Aircraft Company Opens Office in Shanghai

Major Edward P. Howard, formerly American Aviation Trade Commissioner, who recently returned to China as representative of the Douglas Aircraft Company, Inc., and its subsidiary the Northrup Corporation, has opened an office in the Dollar Building, in Shanghai. The Douglas Company has long been a contractor to the Chinese Government and has supplied a large proportion of its most effective flying equipment, including training and light bombing and observation aircraft. The Northrup Corporation manufactures the most advanced type of all-metal planes. It is known for its production of both military craft and civil-single-engined transport types.

"Tien Chu" Plane Will Be Christened March 18

The christening ceremony for the Junkers all-metal fighting plane presented by the Tien Chu Seasoning Powder Factory to the Chinese Government will take place on March 18 at the Hungjao Airdrome. The plane will be named *Tien Chu*. The opening ceremony for the first flying club in China, formed under government sponsorship for the training of private pilots, will take place at the same time. General Hsu Pei-kung, director of the Aviation Department of the Ministry of War, will represent the government in accepting the gift from the Tien Chu management.

Airdrome to Be Built at Honan Island

A place in the outskirts of Honan island has been chosen as a site for the construction of an airdrome for the civil air line, according to the Bureau of Public Works. Surveying work has been finished. The area is more than 600 mow.

Who's Who in China

梅 思 平
Mei Shi-ping

Mei Shi-ping, government official; born at Yungchia, Chekiang, 1896; graduate of the Law School of National Peking University, Peiping; served successively as professor at the Central University and the Central Political Institute, Nanking; Magistrate of Kiangning Self-Autonomy Experimental District (Nanking), since 1933; address: City Government, Kiangning Self-Autonomy Experimental District, Nanking.

梅思平，浙江永嘉人，年三十八歲，畢業於北京大學法科。歷任中央大學及中央政治學校教授。現任江甯自治實驗縣縣長。

British Consulate at Kashgar Attacked During Tribal Warfare

The British Consulate at Kashgar in Southern Sinkiang was attacked on March 1 during the fight between an invading force of Khirgis and the Tungan tribesmen holding the city, according to a *Reuter* report from New Delhi, March 2. Kashgar Old City was recently captured by Tungan tribesmen who overthrew the Kashgar rebel Government and drove out its officials. The former Chinese Taoyin or Circuit Magistrate at Kashgar, with the support of the Tungans has assumed supreme civil and military command in the South of Sinkiang on behalf of the Chinese Republic. The attack on the British Consulate, according to the *Reuter* report, was repulsed, but the building was sniped during the night of March 1, resulting in four British subjects being wounded.

The *Tass* agency, reporting from Bakhty, on March 4, stated that a delegation of the Karashar Mongols, from the south of Tihwa, had offered their support to General Sheng Shi-Tsai, Commander of the forces of the Sinkiang provincial government, for the complete liquidation of the troops of Ma Chun-ying, the Mohammedan leader. Representatives of the nomadic tribes of northwest and central Sinkiang have likewise expressed themselves in favor of the provincial government.

After retreating, Ma Chun-ying has been endeavoring to protect his defensive positions situated at Davansing, a pass one hundred kilometres south of Tihwa. The mobilization of the local population proclaimed in the Turfan and Karashar regions by the Tungans, however, has been fruitless, as the majority of the natives of these regions, who are Uigurs, are evading mobilization, having no desire to support the Tungans in the latter's fight against the provincial government.

Interviewed at Tientsin on March 6, Dr. W. W. Yen denied that he is going to Nanking to start negotiations with the Soviet Ambassador for the solution of outstanding Sino-Soviet problems. Dr. Yen said that although Soviet Russia entertains ambitions in Sinkiang, he does not believe that she will occupy that province. He added that he would visit General Chiang Kai-shek at Nanchang after visiting Nanking.

Word has been received in Peiping from Dr. Sven Hedin stating that the Chinese Government Highways Expedition, which left Hami on February 6, arrived at Turfan, in Sinkiang, safely on Feb. 16. Upon arrival at Turfan, the expedition received a cordial welcome from the local officials on behalf of General Ma Chung-ying, Garrison Commander of Hami.

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The China Weekly Review
38, Avenue Edward VII
Shanghai.

68-079

Men and Events

Nine hundred Japanese emigrants comprising 141 families and including 409 women left Kobe Feb. 28 for Brazil.

A foreign woman who marries a Chinese will be considered a Chinese citizen, according to an explanation issued by the Ministry of Interior in Nanking March 6.

The Sansui-ro Restaurant, the largest Chinese dining eastablishment in the center of Tokyo, was totally destroyed by fire March 5.

The Chinese motor-boat *Szehai* struck submerged rocks in the Peail River near Canton March 4 and sank within a few minutes. About 500 lives were lost in the disaster.

H. J. Timperley, well known as Peiping correspondent for the *Manchester Guardian*, has taken over the Peiping correspondence of the *Christian Science Monitor* from C. M. McDonald.

The British cruiser *Calcutta* is coming out to China this month with reliefs for the gunboats, of the Yangtsze fleet. The *Calcutta* displaces 4,200 tons and her main armament consists of five six-inch guns.

The 26th and 17th Japanese destroyer squadrons departed from Shanghai for South China March 6. They are expected to visit Foochow, Amoy, Hongkong and Formosa before returning to Shanghai next month.

Yasusuke Hirano, Manager of the Shanghai branch of the Mitsui Bank, has been appointed manager of the Foreign Department of the Tokyo Head Office. Mr. Sato, of the New York branch, has been appointed manager in Shanghai.

Miss Ah Huna Tong, editor of the woman's page of *The China Press*, was married to Clarence Young of the Union Motors at the Community Church March 3. Rev. E. W. Lucock performed the ceremony.

Miss Winifred A. Hykes, daughter of Mr. and Mrs. John M. Hykes of Shanghai, was married to William J. Lamneck of the Chase Bank, at a ceremony conducted by the Rev. Father F. MacDonald at St. Joseph's Annex, March 3.

Miss Cheng Pao-ning, second daughter of Mr. and Mrs. Cheng Hung-nien, was married to Liu Wan-su, son of Mr. and Mrs. Liu Hou-chow of Swatow, at Moore Memorial Church in Shanghai March 3. Rev. K. S. Tso officiated.

Rene Robin has been appointed Governor-General of Indo-China to fill the post left vacant since the death of Pierre Pasquier, who perished in the *Emeraude* crash in January during a flight from Saigon to Paris.

The Y. M. C. A. in China is among the institutions which have been hit by the prevailing business depression. Word has just been received from America that about a dozen of the Foreign staff in China will have to be dropped because of lack of funds.

Rear-Admiral Tsuda, Chief of the Third Section of the Naval General Staff Office in Tokyo, arrived in Shanghai Feb. 28 from Japan. He will later visit Nanking, Hankow, Peiping and Tsingtao and other parts of China.

R. R. Service, who has for a number of years been connected with Y. M. C. A. work in China, has been appointed by the China International Famine Relief Commission to head its office in Shanghai, where a campaign will be conducted to build up a Chinese consumstituency on lines similar to that of the Red Cross.

The Nanking Office of the American Legation has notified the Chinese authorities that as numerous cases of tuberculosis have been found among foreign students studying in America, the American Government has decided to introduce a system of physical examination of all foreign students.

Messrs. Swan, Hunter and Wigham Richardson, Wallsend-on-Tyne, and Messrs. Barclay Curle, confirmed in London, March 3, that each had booked an order from the Chinese Government for the construction of two passenger and cargo vessels. Messrs. Swan, Hunter and Wigham Richardson are the constructors of the Nanking Train Ferry, which arrived in Shanghai last summer under its own power—now in operation.

Mr. and Mrs. Chester Fritz departed from Shanghai March 1 on a holiday trip around the world. They are first proceeding to the Island of Bali (Netherlands Indies) where they will visit Miguel Covarrubias and his Mexican group of artists, later proceeding to Europe and America. Mr. Fritz is a partner in the brokerage firm of Swan, Culbertson and Fritz.

Linton Wells, newly appointed foreign editor for *Universal News Service*, arrived in Shanghai from his former post in Moscow during the week enroute to New York to take up his new duties. It is rumored that he experienced some difficulties with the Japanese in Manchuria but he declined to be interviewed on the subject. Part of the trouble seems to have been due to misquotation of his opinions.

Chang Kai-yun, a secretary in the Publicity Section of the Tientsin City Party Headquarters, was murdered in the French Concession at Tientsin Feb. 28. It is alleged that while the victim was asleep in his room one Chang Pao-chien and a companion secretly entered and fired several times. The assassins made good their escape. It is reported that the deceased was formerly a member of the Communist Party, but had severed all relations with it and offered his assistance to the Tientsin City Party Headquarters in the arrest of Communist agents.

The Asia Electric Company, Federal Inc., U.S.A., is paying a final stock dividend of 5%, making a total cash and stock dividend for the year of 7% on all the common stock.

Edwin S. Cunningham, the U. S. Consul-General, on behalf of the American Consular officers in Shanghai, on March 6 presented to the retiring Judge of the U. S. Court for China, Judge Milton D. Purdy, a handsome silver cigar box, the ceremony taking place in the Judge's Chambers.

Gen. Von Seeckt, former chief of the Germany Reichswehr, was due to depart from Berlin this week on a journey through the countries of the Far East to study conditions, particularly in China. The *Trans-Ocean* service says Gen. von Seeckt expects to use the opportunity to meet leading members of the Chinese Government.

The French Concession narcotic squad made a raid on a morphine den at 143 Rue du Weikwei March 2 and rounded up 26 drug addicts. The owner was sentenced to one year's imprisonment. The remaining 25 addicts were given police detention from 15 to 20 days.

It is reported that the Macao Government has granted a monopoly to Japanese for the sale of alcohol in Macao. The Chinese Chamber of Commerce in Macao has requested the Macao Government to nullify the agreement, otherwise, all Chinese merchants in Macao will carry out a general strike.

The so-called "New Life" movement advocated by General Chiang Kai-shek was began at Nanchang March 1. All signboards before shops having any foreign language on them are to be removed. The movement is being carried out under the guidance of the Kiangsi Provincial Party Office.

Major-General Mijiro Umezu, Staff officer of the Army General Staff Office, has been appointed Commander of the Japanese Garrison in China in succession to Major-General Nakamura. Lieut.-General Chuzo Nishio, will succeed Lieut.-General Kuniaki. Koiso, as Chief of Staff of the Japanese Kwantung Army in Manchuria.

The French despatch-boat *Rigault de Genouilly* with Captain Feraud in command, will be sent to the Far East in the near future with two scientific missions on board; one is for maritime and archeological propaganda, while the other, headed by M. Louis Watelin, will proceed to Easter Island (Pascua) to study mysterious inscriptions recently deiscovered there.

General Huang Fu, chairman of the Peiping Political Council, is recovering at the P. U. M. C. Hospital in Peiping after a minor operation on his nose. According to Chinese reports General Huang will leave for Nanking shortly after his recovery in order to make a report to the National Government on the administrative situation in North China. He will also proceed to Nanchang to see General Chiang Kai-shek.

After a stay of 12 days in Istanbul, Turkey, the Chinese military mission headed by General Yang Chieh, chief of the Nanking Military Academy, departed for Moscow, arriving in the Soviet Capital March 2. General Yang said in an interview he believed that Sino-Turkish diplomatic relations would soon be established. General Yang and his party, who are studying military methods in various European countries, are due to arrive in England in early spring. Their next destination is Poland.

Edwin L. Neville, Counsellor of the American Embassy in Tokyo, and Mrs. Neville accompanied by their two young sons arrived in Shanghai March 2 in the course of a round-the-world tour on their way to the United States. Mr. Neville began his career as student interpreter in Tokyo in 1907 immediately after graduating from the Univesity of Michigan. Mr. and Mrs. Neville were guests of Dr. and Mrs. E. M. Gale during their stay in Shanghai.

A Tokyo message dated March 6 stated that considerable activity is proceeding in commercial circles there aiming at closer economic co-operation between China and Japan. Kenji Kodama, President of the Yokohama Specie Bank, Seijiro Miyajima, President of the Nisshin Spinning Company, and other business men connected with Sino-Japanese trade, have recently been exchanging views with members of the Chinese Legation in Tokyo with a view to evolving plans for an economic rapprochement.

M. Zumoto, former publisher of the *Herald of Asia*, visited Shanghai last week. He commented on the enormous progress made in Shanghai in the last 14 years and compared the growth of the metroplitan city with that of Tokyo and Yokohama, before his departure for Japan. He had just completed a tour of Manchuria. Mr. Zumoto was entertained lavishly here by the Japanese community. He expressed regrets that the present political conditions prevented linking up China and Japan by a passenger airplane service.

Mrs. Ethel Bryant Powers Lea, widow of one-time General Homer Lea, military adviser to Dr. Sun Yat-sen during the Chinese revolution in 1911, died in New York March 4. General Lea came to China some 30 years ago and wrote a book called "The Valor of Ignorance" in which he argued that the United States could be overrun by an Asiatic power. Despite the fact that he was a hunchback he became a technical expert on land warfare. He was in Honolulu when the 1911 revolution broke out and arrived back in China in the entourage of Dr. Sun Yat-sen, later becoming his military adviser and close associate. His death occurred shortly afterward.

68-080

Dr. H. H. Kung, Minister of Finance, and T. V. Soong, Chairman of the Economic Commission, proceeded to Nanking March 6, when a meeting of the Standing Committee of the National Economic Council, was convened to discuss the silver question as well as reconstruction measures.

Lieut. Col. E. P. Moses, U.S.M.C., executive officer of the Fourth Marines, departed from Shanghai on the U. S. transport *Henderson*, for Manila, Philippine Islands, where he will command the Marine Barracks at Cavite. Among the farewell functions arranged in Col. Moses's honor was a tiffin at the Shanghai Club. Many officers of the Fourth Marines attended.

University of Nanking Has 1381 Students

The registration in the three Colleges of the University of Nanking for the second semester has been reported as 568, distributed as follows: College of Arts, 175; College of Science, 180; College of Agriculture, 213. There are 110 enrolled in the Rural Leaders Training School and 703 students in the University Middle School, making a total of 1381 students in the University and its affiliated schools.

A meeting of the American University Club was held in Nanking Feb. 27. Over 180 graduates of American colleges and Universities attended the dinner and the meeting. The chief address was made by Dr. I. F. Wu, President of Ginling College, who recently returned from an extended tour of the United States. Short speeches were also made by W. R. Peck, American Consul General; by Dr. Chia-lun Lo, Chancellor of Central University; and by Dr. J. Heng Liu, head of the Government Health Bureau in Nanking, who is president of the Club. W. D. Mills is secretary of the Club and was in charge of the arrangements for the dinner.

The visit of Mei Lan Fang to Nanking in the interests of the Yellow River Flood Farm Rehabilitation Campaign was highly successful. He and his company played to capacity houses for three successive evenings at the Theater of the Officers' Moral Endeavor Association.

Allegations Against Brazilian Official in Gambling Case

Y. Shutte, charged at the Chinese District Court in Shanghai with operating a gambling house in Avenue Road, Shanghai, in evidence given March 7 alleged that F. E. Batalha, chancellor of the Brazilian Consulate General, had give him papers—although he was born in Russia—which stated that he was born in Brazil, place and date given. Shutte a first made use of his alleged Brazilian citizenship to avoid the jurisdiction of the Chinese Court, to which as a Russian (without extraterritorial privileges) he is subject. The Chinese Court sentenced Shutte to two years imprisonment.

Italian, Sentenced in Forgery Case, Will be Free for a Year Pending Appeal

Enoh Tamburini, was sentenced to 14 months imprisonment in the Italian Consular Court in Shanghai March 6, upon being found guilty as accessory in the $136,688.25 Chartered Bank-B. A. T. check forgery case. His counsel gave notice of appeal to the Italian higher court in the Island of Rhodes (Mediterranean Sea) the hearing of which will take about a year. Meanwhile Tamburini will be at liberty on bail.

Allegations of Connivance at Sugar Smuggling Are Denied

J. C. Croome, co-district inspector, and Z. Y. Lee, salt commissioner and district inspector of the District Inspectorate of Salt Revenue in Shantung, have issued a joint statement in reply to insinuations made by Major Stockwell, editor of the *Tsingtao Times*, that employees of the Chinese Government Salt Administration at Tsingtao have customarily connived at smuggling sugar through the Customs barriers under the guise of seized salt to the chagrin of the Customs officials. The matter, Messrs. Croone and Lee say, was referred to the Assistant District Inspectors at Tsingtao, who have investigated the charge and found it completely false. An official enquiry from the Commissioner of Customs as to whether he, or any of his subordinates, have any knowledge of any fact justifying the suggestion made by the editor of the *Tsingtao Times* has elicited the reply that "the statement has no foundation whatsoever in fact."

Prominent Air Official Enroute to Shanghai

Major Carl A Cover, Vice-President of the Douglas Aircraft Company, Inc., a very well known pilot in the United States, and, as Vice-President of the Douglas Aircraft Co., Inc., and its subsidiary, The Northrop Corporation, is in charge of flight testing and final approval of new products as well as flight research, is due to arrive in Shanghai March 12. He is coming out to China on a general investigation tour, and in the interests of the Douglas Aircraft Co., Inc., and its subsidiary, The Northrop Corp., which recently opened offices in Shanghai, thus establishing direct representation which supersedes previous sales arrangements.

What Is Wrong With Him?

Are you worried about your husband? Has he lost appetite, cheerfulness, spirit?

The finest tonic for any man who has become run down, nervous, enfeebled through over-work, worry, or other cause, is a good holiday, with complete change of air, food and environment. But unfortunately it is not always possible—especially here in the Far East—to get away from the daily round. Responsibilities are too great, leave-of absence is not to be had for the mere asking, sea trips are expensive and hardly to be thought of these hard times.

What then is to done? The next best thing is to take a good blood and nerve tonic, and the best of all tonics is Dr. Williams' Pink Pills. For over half a century these world-famous Pills have been restoring health and strength to weak, nerve-racked, despairing men—and women too. Their first effect is to revive lost appetite. Then they aid digestion, build up the nerves, restore the blessing of sound, invigorating sleep, and the good, rich, red blood they make at every dose carries new nourishment, health and strength throughout the whole system. Innumerable sufferers have built-up and revitalized themselves through Dr. Williams' Pink Pills in this way. Why not your husband? Chemists everywhere sell them. Persuade him to begin his cure today.

I.D.EMULSION
OF COD LIVER OIL
五洲乳白魚肝油

富豐量含
良優質品
腥無美味
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INTERNATIONAL DISPENSARY
SHANGHAI

68-081

New Books of Interest in the Far East

From Revolution to Communism

Germany: Revolution and Counter Revolution by Frederick Engels. International Publishers, New York. $1.50 (*U.S.*).

This is one of a series of books in neat form coming out under the general caption of the "Marxist Library,"—Volume XIII to be exact. Although Engels is given credit for the authorship of the articles herein given chapter form, it was Marx who was asked by the *New York Daily Tribune* in 1851 to write them, and he had much to do with their preparation. At the time, Marx knew English only imperfectly, and was busy on his "Critique of Political Economy" in German, so he asked Engels to write for him, but by almost daily correspondence he contributed largely to their preparation, especially on all significant points.

The book is then no abstract historical document nor yet an academic treatise. It is a real revolutionary document prepared by two master revolutionists dealing with their own work, analyzing the causes of failure in the revolution of 1848, and showing the changes in policy necessitated by the failure of that time. Aside from the fact that these historical articles make interesting reading, they are of current interest also, because revolution and counter-revolution in Germany have put that country once more in the center of the world's stage. No doubt it was because the plebeian revolution of 1848 failed that Germany embarked on its imperialist path, that the "blood and iron" dictatorship of Bismarck followed and later the "revolution from above," which has resulted in the Fascism of our modern day.

The book contains in appendices the "History of the Communist League," "The Demands of the Communist Party in Germany," "The First Address of the Central Committee of the Communist League to its Members in Germany and a "Glossary of Names and Phrases." The conclusion of the editorial preface is rather significant:

> "We are convinced that not only has history proved Trotsky to be mistaken, and Marx, Engels, Lenin and Stalin right, but that the reading of this book will show that the two great founders of revolutionary, scientific Communism, wrote history in such a way that it throws a flood of light on the practical problems of the working class today, not only in Germany, but in China, in India, in Spain, wherever the tide of revolutionary conflict is rising and the working class finds its further development hindered by the lumber of the Middle Ages, and where the peasantry, crushed by that same mediaeval lumber, is the ally of the working class in the coming revolution."

Whether one agrees with this conclusion or not, one must recommend the book to the reading of the open-minded who desire to understand the revolutions and counter-revolutions of today.

G. T. F.

A Manchukuo Year Book in "Japanese"

It is the fate of the heavenly-created "Manchukuo" that two editions of its First Year Book have been published in foreign languages (one in English and one in Japanese), but none has yet appeared in its own. The more pity of it is that while the Western and Eastern foreigners know so much about their make-believe country, the "Manchukuoans" (whom the Japanese have taken so much pains to create before the world) remain completely ignorant of their own paradise or even of their own existence. Perhaps, it is a blessing to them that they be kept ignorant, for after all it is the business of their creators who should be fully informed about their rich resources. However, it may not be a bad idea for some enterprising Japanese to devote a lifetime to reviving the long dead Manchu language and compile from the material already collected a real Year Book of Manchukuo in its own language. Though it may not prove to be a financial success, for nobody will ever read it, but at least, it can be preserved as a museum piece in Tokyo.

This first edition of the Manchukuo Year in Japanese is no pretentious volume. It is paper bound and printed on not too good paper. But it has its own features to recommend itself. It contains lots of advertising in Japanese and evidently considerable information about the bogus country which goes by that name. In contents, this volume follows the style and method of work of similar nature in other countries. It deals with such subjects as history (pitifully short and unreal), geography (limitless and ever expanding), administration, finance, foreign affairs, military affairs, education, commerce and industries, forestry, mines and so forth. All these subjects seem to have been dealt with rather exhaustively —a good testimony of Japanese knowledge of other men's affairs—which by now are their own. Another feature of the book is a number of photographs at the beginning. Most appropriately, the picture showing the signing of the solemn but make-believe Japan-Manchukuo Protocol leads the display. The book consists of about 700 pages and was compiled by the so-called Manchu Cultural Association—an organization pretentious in name but as yet having not demonstrated its profundity of either the Manchu language or the Manchu culture.

C. H. H.

America and the War Debts

Will They Pay? by Dorsey Richardson. J. B. Lippincott Company, Philadelphia, 1933. 151 *pages, and appendices.*

Mr. Richardson has held several posts under the Department of State. His book is an attempt in plain English, without statistical tables, to make clear the present position on War Debts. The Sub-title of the well-written little volume is "A Primer of the War Debts." The book is just that. It is a simple, well-reasoned balancing of fact against fact, showing us how futile it has become to expect payments on War Debts when reparations are impossible to finance.

The author traces the slow development of the situation which began with American loans to France and England early in the War, continued with American entrance as belligerents, and has extended until the United States has become the hated creditor, like Shylock demanding the pound of flesh. It *is* true that money is due the United States but would the country gain anything provided this could be collected?

This book shows us the attitude of the hard-headed American business man as exemplified in the laconic remark of President Coolidge to the late American Ambassador to France, Myron T. Herrick. After Mr. Herrick had spent some time urging on President Coolidge the advisability of a particularly lenient funding of the French debt Mr. Coolidge's only reply was, "Well, they hired the money, didn't they?"

There is also an explanation of the Hoover Moratorium, the Dawes and Young plans, and various recent solutions offered for settling the broken-down finances of a world in deep depression. A paragraph concerning Great Britain's attitude is simple and clarifying, and seems also to embody the conclusions of our author. "Great Britain has ceased trying to collect anything from her war debtors, and as this makes it impossible for her to go on paying the United States, she hopes that we will see that it is to the best advantage of all concerned to wash the whole thing out once and for all and get back to commercial business again. Great Britain says in effect: 'We had much rather not default, of course. We prefer to agree with you on a great reduction in the debt—and we think that we can probably pay some small amount over a period of years, or in a lump sum by selling a bond issue, or by liquidating some assets. But this sum must, in practical fact, be sufficiently small so that the world will agree that we can pay—and that it will be no burden to normal trade. If we can't make this kind of agreement with you, we shall reluctantly default—because this stagnation will ruin us all if something is not done to revive trade.' This British attitude on war debts has been an evolution from a willingness in 1923 to pay the price of funding the debt as an example to the commercial debtors of the world, in her own interest, to a position at present where she no longer is willing or able to pay this price. Great Britain's innate commercial honor remains presumably as high as ever. Heretofore she has made considerable sacrifices to uphold it and to restore world confidence and trade. She has now reached the point of willingness to sacrifice her unbroken record of meeting her obligations in order in her opinion to achieve the same end—the restoration of world trade."

This book is a good one for the old-timer to read. It shows how muddled world affairs may and have become. It tells how white may become black in the new eyes of a troubled world; how a creditor may become a loser by demanding his "just dues." It points a new path to the young, those to whom we must now look for solutions to the deadlocks of the world crises. In the words of Mr. Richardson, "The time for more national 'horse-trading' has long since passed. The war debt question must be given a final and realistic answer that will make the solution of the attendant economic disorders quickly possible."

G. B. S.

President Roosevelt's Economic Program

The Economics of the Recovery Program, by Joseph A. Schumpeter, Edward Chamberlain, Edward S. Mason, Douglas V. Brown, Seymour E. Harris, Wassily Leontieff and Overton H. Taylor. Whittlesey House, McGraw-Hill Book Co., Inc., New York, 1934. *Pages* 188. *Price* $1.50.

The economic policies of the Roosevelt administration are either superficial or fundamentally unsound in the opinion of the Harvard economists who have collaborated to produce the *Economics of the Recovery Program.* Roosevelt and his advisors have held up an attractive picture to the peopole of the United States. It is a picture of greater wealth for all, a modicum of economic security and above all a new deal for the "forgotten man." Unfortunately the means adopted to achieve these ends seem to a good many economists to be inadequate.

The most serious charge that the authors bring against the "new deal" is that it will produce poverty rather than real wealth in the long run. "Despite the condemnation of monopoly and monopolistic practices" whites Mr. Mason, "the Recovery Act as interpreted by various codes of fair competition permits government-sanctioned agreements between competitors for limitation of output and prices. The attack upon competition represented by code provisions limiting machine hours, prorating output, prohibiting sales below costs and the adoptoin of superior techniques of production is really an attack upon consumers. These methods can

only result in a smaller national income and consequently a smaller income per person . . . . Far from being a step toward an orderly system of production, such methods are a throwback curiously reminiscent of the middle ages."

This volume is by all odds the best account of the economic program of the Roosevelt administration that has appeared yet.

W. B. S.

Recent Pamphlets Received

The Jan. 31 issue of *Foreign Policy Reports* is devoted to a discussion of the international aspects of Roosevelt's monetary policy. The author, Maxwell S. Stewart, says that no measures can taken toward monetary stability except through the active cooperation of the two principal trading nations—Great Britain and the United States.

India and the World is the name of a liberal monthly journal, edited by Kalidas Nag, published in Calcutta.

Sun Fo Lauds Proposed Constitution

Commenting upon the recently published revised draft of the proposed permanent Constitution for the Republic, Sun Fo, President of the Legislative Yuan, in an address at the weekly memorial service at National Government House March 5, pointed out that the draft was based essentially upon the Three People's Principles and the Outline of National Reconstruction of Dr. Sun Yat-sen. Reviewing the draft chapter by chapter, President Sun drew attention to the fact that, unlike the original draft, the territories of the Republic were specifically mentioned. This was necessary, he pointed out, in order to make it clear that China had not relinquished her sovereignty over the four North-eastern provinces which had been occupied by the Japanese. With regard to the chapter on People's Rights and Duties, President Sun stressed the provision that the rights and liberties of the people could not be restricted by law unless this was absolutely necessary in the public interest.

First Modern Chinese Woman Doctor Dies in Peiping

The death occurred at Peiping March 5, at the age of 70, of Dr. Yamei Kin, the first Chinese woman to practise Western medicine Adopted by the United States medical missionaries at Ningpo Dr. Yamei Kin was taken at the age of six to America where she resided for nearly twenty years. She was graduated from a medical school in New York. Upon her return to China she acted as family physician to the late President Yuan Shih-kai, and founded the Peiyang Women's Hospital in Tientsin.

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

You Know The Feeling!

At the end of a long, trying day you leave the office worn out and dispirited. Ever since morning you have felt out of sorts, and at bed-time that sense of staleness and depression still persists. What is the reason?

First consider your digestive organs. Most likely your liver needs stimulation, or the stagnation is in the intestinal tract. For lazy liver and constipation Pinkettes are equally effective. Quickly, though gently, they restore activity.

To the office worker, as to those who lead a less sedentary life, Pinkettes are an occasional necessity. Non-habit-forming and non-griping, they banish bilious attacks, sick-headaches, liverishness, gloom, in a single night. They correct bad breath, clear the complexion, relieve piles, Pinkettes are sold by all chemists.

CUSTOMS NOTIFICATION NO. 1342

The public is hereby notified that in accordance with Government instructions the following measures for controlling the importation of sugar containing adulterants, palatable or insoluble, will in future be enforced:—

(a) The importation of sugars containing over 3 per cent of insoluble ash of natural impurities, such as mud and dirt, which are found in low-grade sugar produced in primitive factories, will be permitted only on production of satisfactory guarantee that they are to be disposed of to refinery factories.

(b) Sugars containing insoluble ashes, such as sand, stone powder and gypsum, are not allowed to be imported, and attempts to import such sugars may entail confiscation and destruction of the cargo.

(c) Sugars mixed with palatable adulterants, such as starch, vegetable matter etc., may be allowed importation subject to re-adjustment of the polarization degree to the extent of the adulterant content of the sugar.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 1st March, 1934.

CUSTOMS NOTIFICATION No. 1344.

TO WHOM IT MAY CONCERN.

Whereas it has been reported to me, A. C. E. Braud, Commissioner of Customs of the port of Shanghai, that the S.S. "Shawhsing" has become a wreck and is, or is likely to become, an obstruction or a danger to navigation, I now give notice that any contract entered into for the salvage of the said vessel and/or for the salvage of cargo contained in the said vessel which has not first been submitted to me and been approved by me in writing shall be held to be null and void.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 5th March, 1934.

French Not Satisfied with British Disarmament Plan

A new element of uncertainty was injected into the European situation with the disclosure March 2 that France is dissatisfied with the British disarmament plan. In reply to a questionnaire submitted by the Foreign Affairs Committee of the Chamber of Deputies, Jean Barthou intimated that France had criticism to offer against the British plan owing to the fact that it did not include a trial period. In the eyes of the French government this omission would lead to the disarmament of France and the rearmament of Germany.

U.S. Senate Passes Full Treaty Strength Navy Bill

The Senate March 6 passed the Vinson-Trammel "Second to None" Navy Bill providing for the construction of 102 new warships and 1184 new naval planes and bringing the United States Navy up to full strength allowed under the terms of the 1922 Washington Naval Limitations Treaty.

The bill also brings the U. S. Naval Air Service up to full treaty strength of 2184 planes, by provididg for the construction of 1184 new planes of which 650 are already under construction. The remaining 534 planes will be ordered as soon as President Roosevelt signs the bill, according to Admiral William H. Standley, Chief of Naval Operations.

U. S. Army Estimates Slash Gen. MacArthur's Recommendations

Requesting an appopriation of $279,541,000 for a total personnel of 130,750, the United. States Army estimates were introduced in the House of Representatives March 5. The number mentioned in the Estimates is less than half of that recommneded by General Douglas MacArthur, Chief of Staff of the Army, who said that the United States should have a regular army of 165,000 and a National Guard of 210,000 men. Meanwhile, a report from the military sub-committee of the House seriously questioned whether the $93,000,000 allotted for military purposes by the Public Works Administrations and $22,000,000 from the Civil Works Adminisration are being expended on projects which are most necessary from the point of view of national defence.

Borah Says Americans Might by Killed With Own Munitions in Case of War with Japan

"If war should come between the United States and Japan, American soldiers would be torn limb from limb and disembowelled by munitions sold by their own compatriots," Senator Borah from Idaho declared in the U. S. Senate March 5 in opposing the $500,000,000 Naval Construction Bill. Senator Borah, who was chairman of the Foreign Affairs Committee of the Senate during the Hoover Administration, declared that American munition manufacturers were selling part of their output in the Orient.

Earl Beatty Favors Increase of British Naval Armaments

Admiral of the British Fleet, Earl Beatty, Feb. 27 pronounced himself in favor of an increase of the British navy. "In order to give a disarmament example," the Admiral said, in substance, "Great Britain reduced her fleet to such an extent that the security of the country became threatened. The Naval Treaty of London alloted us a percentage of units which is entirely inadequate to cover the requirements of our naval services. It is essential," he concluded, "that during the coming naval conference of 1935, these obstaclet be removed."

Great Britain's naval estimates show a total of £56,550,000, representing an increase of £2,980,000 compared with compared with last year. Of this sum, the Admiralty explains, £1,426,000 is required for the normal progress of new construction, and £1,000,000 is the result of the retardation of the 1931 program.

Questioned in the House of Commons March 5 on the present position of the disarmament problem, Foreign Secretray Simon said that Anthony Eden's visits to Paris, Berlin and Rome were of importance, but the Government was not yet in full possession of the views of all the Powers concerned and he would prefer not to make a statement on the subject until information was complete.

China Protests to Britain on Actions of Burma Corporation

The Nanking Foreign Office March 6 lodged a protest with the British Legation against the alleged attempts of the Burma Corporation to operate mines in Yunnan province, in the region of Penghung, under military protection. Quo Tai-chi, Chinese Minister in London, instructed by Nanking, has already lodged a similar protest with the British Foreign Office.

Anglo-Japanese Trade Parleys Likely to End in Deadlock

The Anglo-Japanese Textile Trade Conference in London, which last week was held up by a deadlock, will probably come to an unsuccessful conclusion, a telegram from Tokyo Mar. 6 predicted. In case of failure of the conversations, the British Government is expected to take immediate measures towards combatting the Japanese competition in the Empire markets.

Japanese Protest Against Discrimination in N. E. I.

Claiming that Japanese trade is being deliberately discriminated against, a vigorous protest was sent to the Government of the Netherlands East Indies March 6 by the South Seas Federation and other industrial organizations of Japan. The note stated that more than 7,000 Japanese nationals are facing ruin as a result of this alleged anti-Japanese attitude. A meeting of Japanese industrialists on the same date decided to press the Tokyo Government to settle the question by diplomatic negotiations.

Japan Prepares to Retaliate Against Trade Discriminations

In view of the measures being adopted in various countries to check imports of Japanese merchandise, the Japanese Government is drafting legislation to control the export and import trade, and to revise tariff rates.

China to Ask for Revision of U.S. Wheat and Cotton Loan

The steps to be taken by Nanking in regard to the revision of the $50,000,000 wheat and cotton loan agreemcnt have been decided upon by the Chinese Government, according to a report appearing in the *Sinwanpao*. The report says that Nanking will ask for a reduction in the prices of American wheat and cotton to be shipped to China under the agreement and that, in the event of this request not being complied with, a suggestion will be advanced to reduce the quantity of the wheat and cotton to be shipped from America.

Permanent Exhibition of Chinese Factory Products Opened at Customs House

Under the auspices of the Chinese Maritime Customs at Shanghai, a permanent exhibition of Chinese factory products was officially opened in the Customs building on March 5 in a simple ceremony presided over by Dr. H. H. Kung, Minister of Finance. The opening of the exhibition marked the consummation of a long-contemplated plan on the part of the Chinese Government and the Customs administration to promote China's home industry and foreign trade. Dr. Kung, in the course of his opening speech, paid a tribute to Sir Frederick Maze, Commissioner of the Customs, Shen Sho-yu, Director of the Customs Administration and their collegues for the organization of the exhibition and for bringing the Chinese customs administration to its present efficient level. Speeches were also made by Sir Frederick Maze, Mayor Wu Te-chen and H. O. Tong, Superintendent of the Shanghai Customs.

The exhibition is housed in a spacious room on the second floor of the Customs building. A great majority of the goods are produced and manufactured by privileged Chinese factories in and around Shanghai. Products on display range from stockings and towels to electric fans, radiators and nails. A hurried inspection resulted in the following rough inventory: woolen underwear, towels, bathing suits, silk stockings, shirts, gloves, pullovers, handkerchiefs, stationery, foreign-dress materials, Chinese typewriters, paint and vanish, cement, silk, kitchen utensils, lemonade, orange squash, beer, port wine and champagne, watches and clocks, disinfecting fluid, hair lotion, perfumes, vanishing cream, powder, dental cream, soaps and other toilet articles.

Other useful articles include umbrellas, parasols, toothbrush, rubber shoes, felt hats, cigarette holders, celluloid toys, locks and keys, wash tubs, electric fans, safety lamps, candles, radiators, electric bulbs, electric batteries, and flash lights. Among the edibles are macaroni, egg noodles, fruit juice, and canned goods.

Chang Chia Living Buddha Leaves Peiping for Inner Mongolia

The Chang Chia Living Buddha, Pacification Commissioner of Inner Mongolia, left Peiping for Kalgan on March 3 on a five months' tour of investigation and goodwill in Inner Mongolia for the National Government. He was accompanied by a large retinue and an escort of 10 soldiers provided by the Peiping Branch Military Council. He brought with him a large quantity of printed literature for distribution among the Mongolians. This includes extracts from the teachings of the late Dr. Sun Yat-sen and his addresses to the Mongolian princes students and other classes on the question of autonomy.

Bankers' Group Makes Progress Under Joint Reserve System

The annual report of the Joint Reserve Board of the Shanghai Bankers Assocation read before the annual meeting by Percy Chu, manager, stated that despite China's critical economic situatoin, member banks of the Shanghai Bankers Association have made good progress and "very encouraging results" have been obtained through efforts to strengthen the foundations of the Joint Reserve system and to develop the newly-established clearing mechanism.

In reviewing activities of the Board during the past year it was stated that four new member banks were admitted in September of 1933—the Chung Wai Bank, Chinese Industrial Bank, Ltd., Manufacturers' Bank of China, Ltd., and China Development Bank. Domestic bonds were accepted as security reserve early in 1933 but the ratio has been limited and rigid rules made on valuation. The reserve against call loans has been increased. During the past year silver dollars in vaults of local banks increased frem $430,000,000 to $540,000,000, and this unusual amount of idle money in the Shanghai market hampered realization of various schemes. Current deposits at the end of 1933, with the board, amounted to about $12,000,000. As the board received no interest on call loans and discounts, the year showed a net loss of $22,823.49.

Clearing house operations went on from January 10, 1933, with 82 Chinese modern-style banks, and the report gave details on the progress of this new departure. During the year, a total of 90,266 items passed through the clearing house, to a total value of $1,966,451,761.83, with a daily total of 3104 items valued at $6,575,761.74.

The following were elected members of the executive committee for the year 1934-5:

Li Ming, Chairman; Tsuyee Pei, Member of Standing Committee, S. M. Tong, Member of Standing Committe; C. M. Shu, Member of Standing Committee; Y. M. Chien, Member of Standing Committee; K. P. Chen. F. S. Yih, Chen Chien, C. C. Woo, Y. Hou, Hang-fu Sung. All of the above with the exception of Hang-fu Sung, were reelected.

Japanese Return Kupeikou to Nominal Chinese Control

Kupeikou, one of strategic passes of the Great Wall which had remained under the control of the Japanese for 357 days, was formally restored to China March 4. After the retrocession ceremony, at which Col. Matsui on behalf of Japan and Ying Ju-keng on behalf of China, officiated, the pass was formally handed over to Chinese control. In the afternoon, Chinese police also took over the five smaller passes in the vicinity of Kupeikou.

All the remaining Japanese and Manchukuo organs have been removed to the northern section of the city. During the night a lantern procession was held by the people of Kupeikou in celebration of the occasion.

The Peiping correspondent of the *China Times* comments: "Although the strategic pass of Kupeikou has been restored to China, the Japanese troops are still making searches of all incoming and outgoing passengers at both Nantienmen and Peishanyin, two mountain passes near Kupeikou. The Manchukuo customs at Kupeikou are still collecting taxes. Many Japanese and Korean merchants are building shops on the main streets in Kupeikou. Instead of being withdrawn the Japanese troops at Kupeikou have been considerably increased and they are patrolling the districts in the vicinity of their barracks."

Population of Manchuria Now More Than 34,000,000

More than 34,000,000 people live in Manchuria, the exact total, according to a recent census, being 34,194,480, made up as follows:

Province	*Area in square miles*	*Population*
Fengtien	46,152	14,996,630
Kirin	104,160	9,191,480
Jehol	61,008	4,500,000
Heilungkiang	126,102	5,111,370
Hingan	126,078	395,000
	463,500	34,194,480

Classified according to nationalities, the total includes:

Chinese	33,052,013
Japanese	150,000
Koreans	800,000
White Russians	103,080
Soviet Russians	85,902
Poles	1,315
Germans	450
Others	1,720

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(6) Bureau of Chemical Testing

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(1) Bureau of Social Economy
(2) Bureau of Industrial Economy
(3) Bureau of Communications
(4) Bureau of Administration
(5) Bureau of Accounts
(6) Bureau of Statistics

All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

In the United States Court for China

In re.	Cause No. 3633
LAST WILL AND TESTAMENT of JOHN ROBINSON DICKSON Deceased	Special Proceedings No. 943 NOTICE Filed at Shanghai, China February 26, 1934 William T. Collins, Clerk.
.....	L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN ROBINSON DICKSON, deceased, to present the same with vouchers to the undersigned on or before September 2nd, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CHARLES M. MEYERS,
Treasurer of THE CHINA MISSIONS
Board of Foreign Missions of the
Presbyterian Church.

Shanghai, China.

February 26, 1934.

Real Estate Review by Realty Investment Co.

The large number of permits issued during the past week especially in the Western part of the French Concession proves the growing popularity of this section as a residential area. Apartments continue to dominate the permits, the value of the land is a determining factor, and the demand for apartments is steady as there are few vacancies and the rents are firm.

NEW BUILDING:

Western District.—On Route Magniny, midway between Route Winling and Route Prosper Paris, an apartment on a comparatively small piece of ground and going up ten stories with 18 garages.

On Route Du Four, near the corner of Rue D'Arco, another apartment house.

On Rue Bourgeat, between Route Cardinal Mercier and Route Des Soeurs, two medium sized apartment houses are to be built, one to be started immediately.

On Route Dupleix, near the corner of Route Magy, 42 Chinese houses.

On Rue Ratard, near Route des Soeurs, 16 Chinese Hongs.

On Route Moresca, between Pere Froc and Route Magy, 3 foreign houses with two stories and 6 garages.

Eastern District.—On Tongshan, near Liaoyang Road, a factory building.

On Holung, near Linching Road, another factory building with a boiler house attached.

Off Wuchow Road, near East Yalu Road, 19 Chinese Hongs.

On East Yuhang Road, near Wuchow Road, 7 Chinese Shops.

On Chaoufoong, at the corner of East Yuhang Road, a group of 7 Chinese Hongs and 4 Chinese shops.

B. A. T. Stops Workers' Relatives from Attending Schools

Action by the British-American Tobacco factories in Pootung is said to have eliminated 500 relatives of workers from attending schools run by the company. Representatives of the 5th District Factory Workers' Union have approached the City Government with a view to negotiations to bring back the old situation. The Kuomintang and the Bureau of Education and Social Affairs have also received similar appeals.

WHAT DOES YOUR BABY WEIGH?

Seven pounds at birth—that is a good normal weight for an infant when he begins his life's battle. And he should steadily continue increasing after the first few weeks. Loss of weight, or failure to gain weight, is a sure sign that something is wrong.

Innumerable little ones who were not making steady upward progress have shown surprising response to Baby's Own Tablets treatment. Almost from the day the child was given its first dose of these Tablets improvement has been noticeable, followed by steady development all round. Appetite increases and digestion begins to function normally, intestinal action becomes regular, and the child grows plump, firm and strong. Teething pains vanish almost as if by magic. What was formerly an ill-tempered, moody, feeble infant becomes changed into a cheery healthy child of whom you can be proud.

If you have a little one in your home keep Baby's Own Tablets always ready at hand to correct stomach, intestinal or teething troubles, and to ensure its good health and steady gain in weight. All chemists sell Baby's Own Tablets.

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The National City Bank of New York, Rates of Exchange

Shanghai, March 7, 1934

Demand selling rate on America:	U.S.$100=Sh. 288.29
Demand buying rate on America:	U.S.$100=Sh. $285.71
Demand selling rate on London:	£1 0.0.=Sh. $14.656
Domand rate on buying London:	£1.0.0=Sh.$14.490

68-086

Latest New York Stock Exchange Quotations

Market—Easy — Business Done 810,000 Shares

February 28, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Mar. 5	Tue. Mar. 6
18¾	8	—	Adams Express	10	9¾
33	11⅛	0.60	Alaska Juneau	21⅛	20⅝
160	70⅝	6.00	Allied Chemical & Dye	153	151¼
107½	19½	4.00	American Can	103	102½
19⅜	5⅞	—	American & Foreign Power	10⅝	10⅛
44⅞	7¼	—	American & Foreign Power 7% Pfd.	24	24
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	50	50¼
27¼	3⅛	—	American Metal Company	23⅝	24
53½	10¾	—	American Smelting	46½	45¼
134¾	86½	9.00	American Tel. & Tel.	121	121
94¾	50¾	5.00	American Tobacco "B"	75½	73
43¼	10⅞	1.00	American Waterworks	20¾	20⅝
80	35	6.00	American Waterworks $6 preferred	74½	Unq.
22⅞	5	—	Anaconda Copper	15½	15⅝
18⅝	5⅝	—	Atlas Corporation	13¼	13¼
84¼	31	2.00	Auburn Automobiles	54½	55⅝
37⅞	8¼	—	Baltimore & Ohio	31	30¼
49½	10⅜	—	Bethlehem Steel	45¾	45¼
37⅞	18	1.60	Borden Company	23	23⅛
28½	5½	0.25	Borg Warner	26	25½
20⅞	7¼	—	Canadian Pacific Railway	15⅞	16¼
103½	30½	—	Case, J. I.	76⅝	74½
47⅞	16⅝	1.40	Chase National Bank	29	28¼
52½	14⅞	2.50	Chesapeake Corporation	41	39¾
59	7¾	1.00	Chrysler Corporation	55⅞	55⅝
46	25	5.50	Cities Service Power & Light 5½s/52	43	43
28⅛	9	0.50	Columbia Gas & Electric	16	15⅝
6⅛	1⅜	—	Commonwealth & Southern	2¾	2⅝
64⅛	34⅜	3.00	Consolidated Gas of N. Y.	39¾	39¾
20½	4⅞	—	Continental Oil	18⅞	18⅝
9	2⅝	—	Coty Inc.	7⅜	7⅜
5⅛	1½	—	Curtiss Wright Company	4¼	4⅛
102¾	32⅛	*2.00	Du Pont de Nemours	100¼	99½
93¾	46	3.00	Eastman Kodak	90	89
41⅝	10	—	Electric Bond & Share	18¼	17½
66	25	6.00	Electric Bond & Share $6 preferred	51¾	50⅞
15⅝	3⅛	—	Electric Power & Light	7½	7⅝
19	12	—	Fox Film "A"	15⅛	15¼
10⅝	2⅞	—	General Aviation	6⅞	Unq.
30¼	10½	0.40	General Electric	22¼	21⅞
39⅞	21	1.50	General Foods	33⅝	33⅝
41½	10	*1.00	General Motors	39⅛	38
49½	13¼	1.00	General Railway Signal	44½	44
27⅝	12	1.20	Gold Dust	19⅞	19½
47½	9¼	—	Goodyear Tire & Rubber	38⅜	38
40	6⅛	—	International Cement	31	31¼
46⅞	13⅝	0.60	International Harvester	43¼	42
24¼	6¾	—	International Nickel	24¼	24⅝
21¾	5⅛	—	International Tel. & Tel.	14¼	14⅛
69½	20⅛	4.50	Int. Tel. & Tel. conv. 4½s of 1939	66	66¼
65¼	21¼	—	Johns Manville	58¼	57¼
26	7⅝	—	Kennecott	20¼	20⅛
79⅝	37½	2.40	Lehman Corporation	74	78
99⅝	40½	*4.00	Liggett & Myers "B"	89½	88
36½	8½	1.00	Loew's Inc.	32	31¾
25¼	10⅜	1.20	Lorillard P. (Com.)	18¼	17½
35⅝	8⅝	—	Montgomery Ward	32¼	31⅝
64⅛	16⅞	1.00	National City Bansk (bid price)	29½	29
41⅝	5⅝	—	National Distiller	27⅝	28
60½	34	5.00	New England Grs & Electric 5s 1947	53	54
58½	14	—	New York Central	38¼	37¾
36½	12¾	8%S	North American	19	19½
96¾	31½	2.00	Owens Illionois Glass	87	86
31⅞	15	1.00	Pacific Gas & Electric	16⅞	19¾
6⅞	1⅜	—	Packard Motors	5⅞	5⅞
42½	12¾	0.50	Pennsylvania Railroad	35⅞	35⅜
6⅜	1⅛	—	Pennroad Corporation	3⅛	3⅜
19½	4¾	—	Phillips Petroleum	17¼	17¼
12¼	3	—	Radio Corporation	8⅛	8⅛
54¼	26½	3.00	Reynolds Tobacco "B"	42¼	42
50⅞	12⅛	—	Sears Roebuck	48¾	48⅝
19½	6	1.00	Socony-Vacuum Corporation	17⅛	17¼
28	14¼	2.00	Southern California Edison	19	18⅞
22½	5⅛	—	Standard Gas & Electric	13¼	12¾
77	35	6.00	Standard Gas & Elec. 6% notes 1935	67½	66½
49⅛	22¾	1.00	Standard Oil Co. of N. J.	46¾	46⅝
60¾	46	3.80	Sterling Products	55	54⅝
9	1½	—	Studebaker	7⅞	7¾
30⅛	10¾	1.00	Texas Corporation	27	26¾
9⅛	2⅝	0.12	Transamerica	7⅛	7¼
51⅞	19¾	1.00	Union Carbide & Carbon	45½	44½
132¾	61¼	6.00	UnionPacific	128¼	128¼
46⅞	16½	—	United Aircraft & Trans.	24¾	24
14½	4⅛	—	United Corporation	7	6⅝
25	14	1.20	United Gas Improvement	17½	17⅞
25	2⅞	—	U. S. Rubber	19¾	19⅝
67½	28¾	—	U. S. Steel	55¼	55
51½	21½	*2.00	Universal Leaf Tobacco	42½	41¾
36¼	7⅝	—	Vanadium	27¾	27½
9⅛	1	—	Warner Bros. Pictures	7	6⅞
58¾	19¾	—	Westinghouse E. & M.	40½	39⅞
53½	25⅞	2.40	Woolworth	51¾	51⅛

*Plus extras — CALL MONEY 1% 1%

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